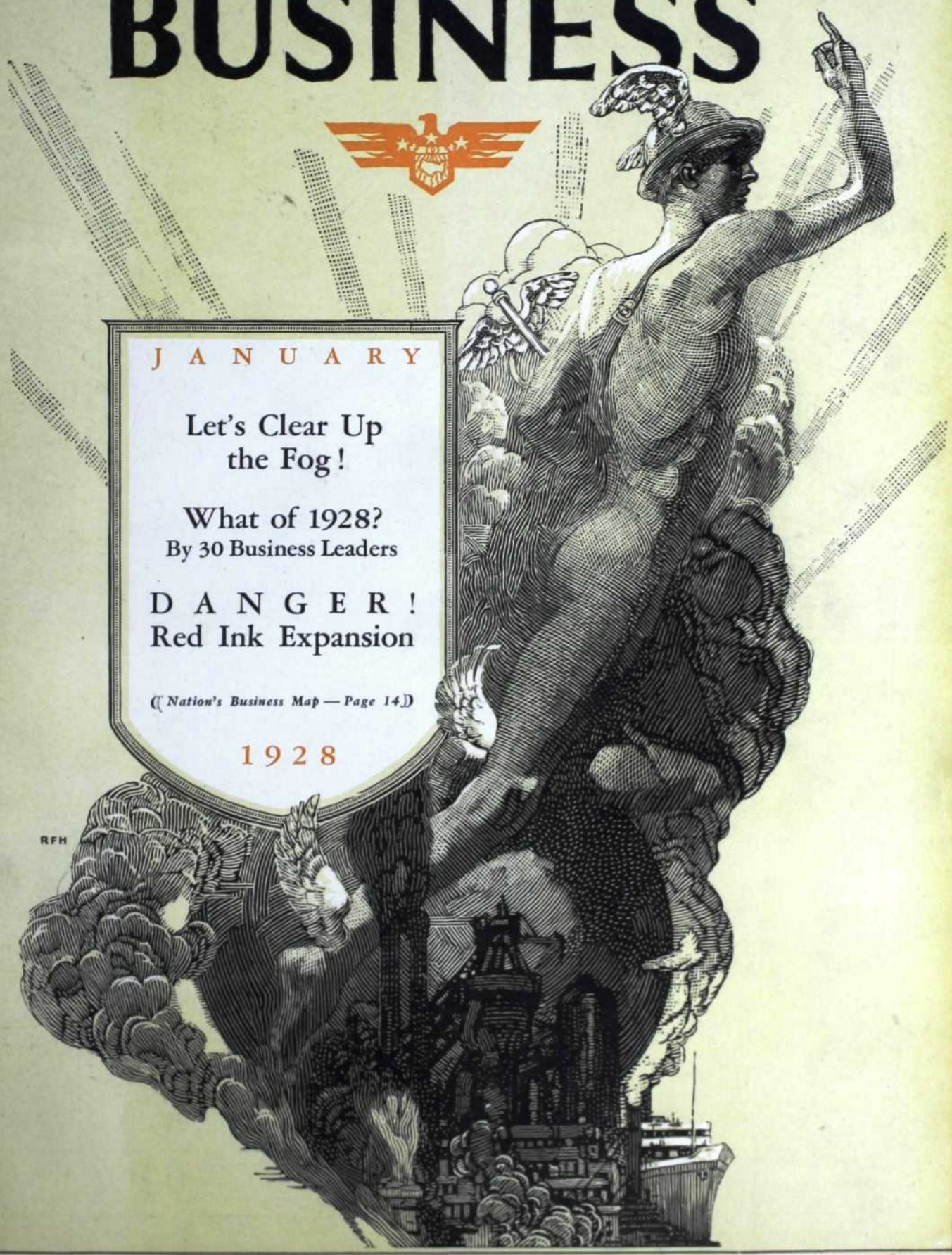
NATION'S BUSINESS



JANUARY

Let's Clear Up the Fog!

What of 1928?
By 30 Business Leaders

DANGER!
Red Ink Expansion

(Nation's Business Map — Page 14)

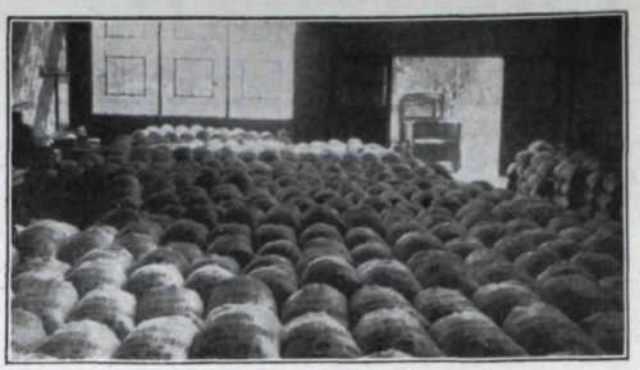
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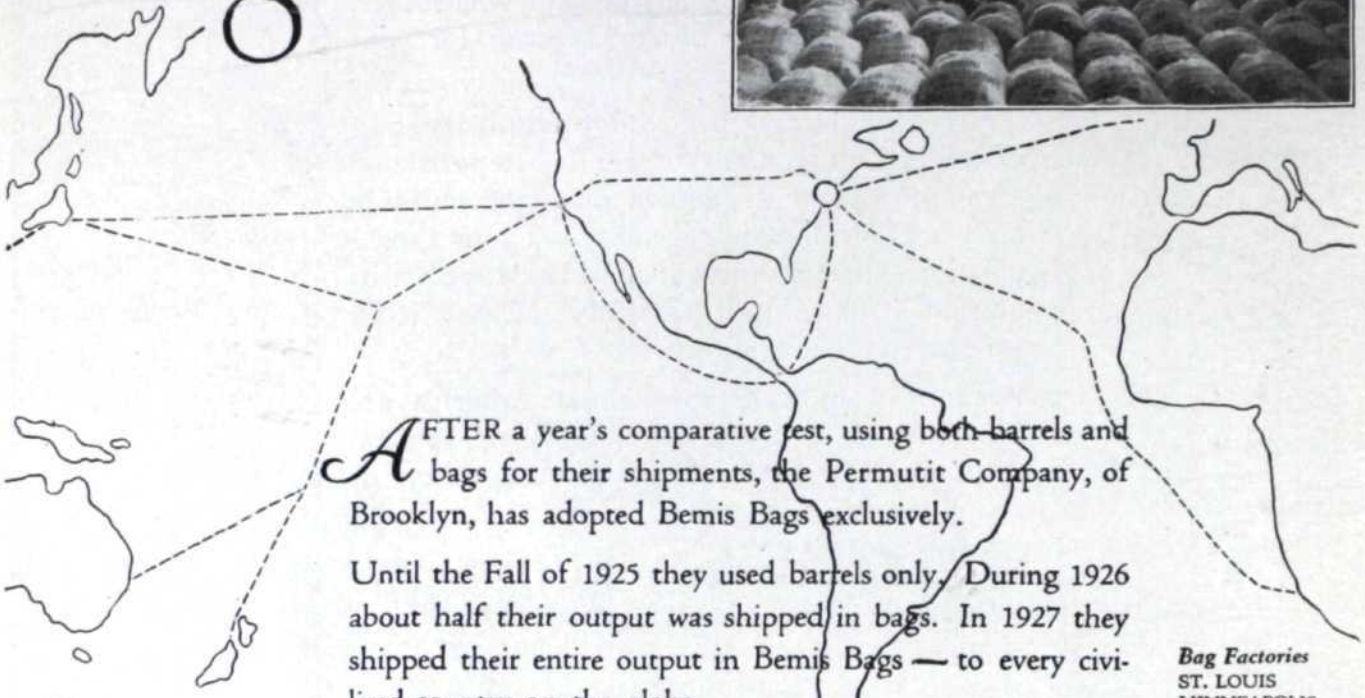
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MORE THAN A QUARTER MILLION CIRCULATION

SINCE 1858, THE WORLD'S LARGEST MAKERS OF QUALITY BAGS

. . to the whole wide world, safe in Bags





AFTER a year's comparative test, using both barrels and bags for their shipments, the Permutit Company, of Brooklyn, has adopted Bemis Bags exclusively.

Until the Fall of 1925 they used barrels only. During 1926 about half their output was shipped in bags. In 1927 they shipped their entire output in Bemis Bags — to every civilized country on the globe.

Permutit product is a very fine granular substance, weighing 110 pounds to the cubic foot, which must be kept dry.

Can your product be shipped in Bemis Bags—safely—at a saving? To find out, just ship us one unit in its usual container. We will ship it back to you in a Bemis Bag, or tell you honestly if it can't be done. And no obligation on your part, either.

BEMIS BRO. BAG CO., *Address:* Gen'l Sales Offices, ST. LOUIS, U.S.A.

Bag Factories
ST. LOUIS
MINNEAPOLIS
OMAHA
NEW ORLEANS
SAN FRANCISCO
INDIANAPOLIS
MEMPHIS
KANSAS CITY
SEATTLE
WINNIPEG
HOUSTON
BROOKLYN
BUFFALO
WICHITA
WARE SHOALS, S.C

Cotton Mills
ST. LOUIS
INDIANAPOLIS
BEMIS, TENN.

Bleachery
INDIANAPOLIS

Paper Mill
PEORIA

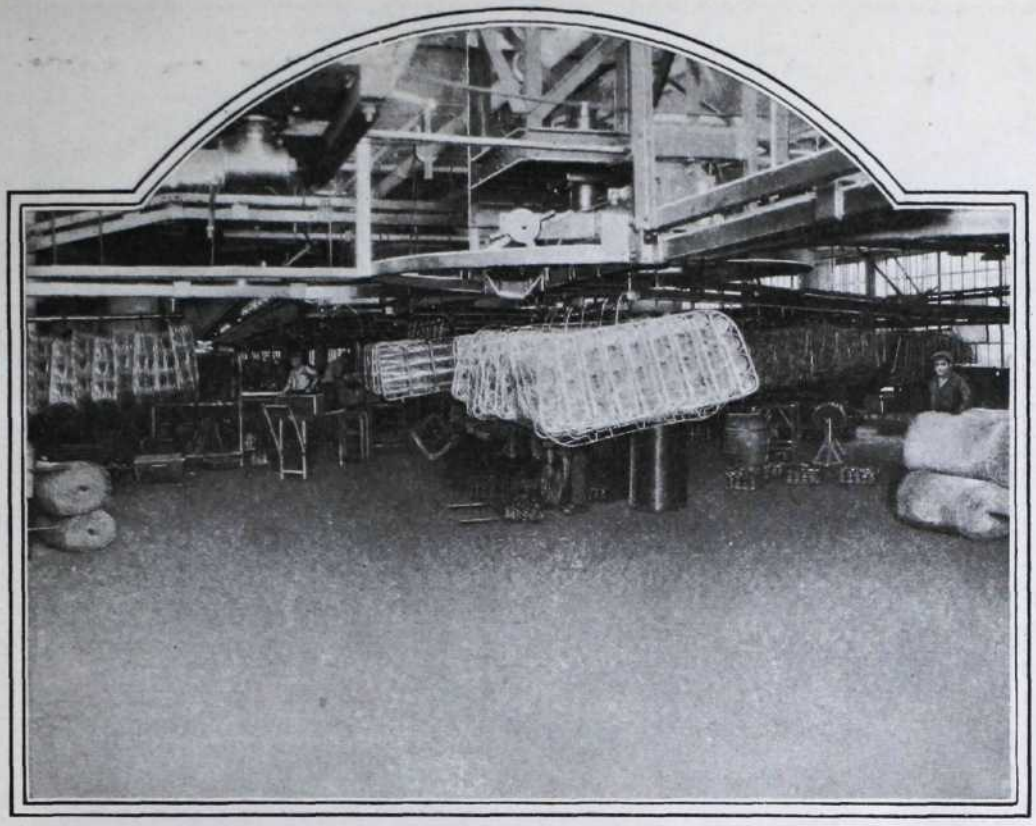


BEMIS BAGS



COTTON ~ BURLAP ~ PAPER ~ PRINTED OR PLAIN

$50,000 to $75,000 *a year saved*



by Overhead Handling System

L. A. Young Industries, Inc., Detroit, reports through H. V. Backus, Plant Engineer:

"Since 1915, when we built the first unit of our present plant for producing automobile and truck seats and other wire products, we have used Richards-Wilcox OveR-Way systems, engineered and installed by Palmer-Bee. Approximately 2 miles of R-W track, with about 500 trolleys, extend from assembly departments, through dipping tanks and ovens, to the shipping department.

"In our automobile seat department the length of material movement is about 1,000 ft. and the OveR-Way system comprises three main tracks. About 100 tons of product are moved over this one system daily, 12 or more seats to a trolley load, averaging three trolley loads per minute. One man moves 10 to 15 loaded trolleys with no difficulty.

"The entire OveR-Way system requires about 25 men to move material, in addition to sections moved by power. To move material by floor trucks would require at least 200 trucks and a total of 75 or 100 men, at an additional cost of $50,000 to $75,000 a year in labor. Trucks would also require wider aisles; and without some overhead method of handling, we should need double the floor space in our assembling and shipping departments.

"We are absolutely dependent on the OveR-Way system to maintain production, but in nearly 12 years' operation we have never been shut down an hour on account of conveyor failure. An average of 2 man-hours a day keeps our entire two miles of track oiled, tightened and repaired.

"Similar smaller OveR-Way systems are used in our California and Canadian factories."

Ask us to send an R-W engineer to show you where OveR-Way will save money in your business

Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

New York · · · **AURORA, ILLINOIS, U.S.A.** · · · Chicago

Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines
Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit

Montreal · RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. · Winnipeg

TO MANUFACTURERS OF QUALITY PRODUCTS



"Coal Breakers" from THE WONDER OF WORK. We are privileged to reproduce here one of a series of drawings of industrial subjects by the late Joseph Pennell, one of America's great artists. Courtesy of the J. B. Lippincott Co.

Your bid for shrewd customers

A man who sells a poor thing for a fancy price sells some of his self-respect with the package.

But when a man sells a good thing, and maintains its quality despite price competition, he puts into the product a dependability far more important than the price he asks.

In time the shrewd customer learns that your quality products, though perhaps costlier at first, are cheaper in the end.

The great number of industrial plants which today apply this principle to their oil purchases gives us world leadership in the field of lubrication.

Cost of wrong oil

A dramatic consequence of using incorrect oil recently threw 12,000 operatives out of work for two days in a peak season. A prime mover in a textile mill broke down without warning. The repair expense was not large, but lost production cost thousands of dollars.

Wrong oil escapes detection until trouble breaks. The right oil, applied in the right way costs only a trifle for the protection it affords continuous operation.

When we are engaged to supply correct oils we keep in regular touch with the plant personnel and help them uphold lubrication standards. Our knowledge and our oils are employed by manufacturers of quality products and builders of quality machinery throughout the world. They are at the command of your plant.

GARGOYLE

Lubricating Oils
for Plant Lubrication

Vacuum Oil Company

HEADQUARTERS: 61 BROADWAY, NEW YORK. BRANCHES AND DISTRIBUTING WAREHOUSES THROUGHOUT THE COUNTRY

When writing to VACUUM OIL COMPANY *please mention Nation's Business*

This Month and Next

MORE and more comes the cry, "We are getting plenty of business, but we aren't making any money."

We asked John Sherwin to discuss this situation in an article. As Chairman of the Board of The Union Trust Company, Cleveland, and Director in many Middle Western corporations, he is eminently qualified to speak for business generally, big and little. "Red Ink Expansion—Danger!" is, we think, a fine exposition of this timely question.

TO GET a cross-section picture of Mr. Sherwin's thesis as it looks when applied, we sent a staff member to New Haven to interview Lewis H. Bronson, of Bronson and Townsend, hardware wholesalers. This firm nearly cut its business in two in order to carry on more efficiently. They found that it paid to seek profits first, and volume second. "We are through," says Mr. Bronson, "sending out a five-ton truck to deliver a carpet tack."

AMONG the other contributors to this issue are: Silas Bent, whom many will recall as a former associate editor of NATION'S BUSINESS; George W. Harris, President of Harris and Ewing, Washington photographers who specialize in pictures of visiting notables; Berton Braley, whose "Business Is Business," first printed in this magazine in 1917, has been reprinted a million times; William Simonds, a newspaper man who studied journalism under the editor of NATION'S BUSINESS in bygone days; Arthur R. Maas, a consulting chemist of Los Angeles; Frank Greene, managing editor of Bradstreet's, New York; Merryle Stanley Rukeyser, of Columbia University school of journalism and a well-known financial writer and author; Anton Schutz, America's foremost etcher of business subjects; thirty Directors of the Chamber of Commerce of the United States, chosen to express their views on the new year because they represent every section and nearly every industry.

IN THE last few months, certain articles have stood out in the interest they aroused among business men and particularly among manufacturers.

"Prosperity But No Profits," by Alexander C. Brown.

"The Answer to the New Competition," by O. H. Cheney.

"Is the Small Factory Doomed?" by Thomas N. Carver.

All were approaches, each from its own angle, to the problem of meeting competition.

The Sherwin article in this number goes at the question from a still differ-

Vol. 16 **NATION'S BUSINESS** No. 1

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

Over A Quarter Million Circulation

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As the official magazine of the National Chamber this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers to which expression is given.



"Revolving" Credits As a Trade Factor

A FREIGHT STEAMER plying back and forth between the ports of the Caribbees, with every dollar of the operating costs of each voyage paid through a Credit established by a bank 2000 miles away.

A Dutch exporter in Java making weekly shipments of crude rubber, presenting the shipping documents regularly to his bank in Sourabaya and receiving immediate payment as arranged by the buyer of the rubber in New York.

A New York company's representative stationed in Buenos Aires, receiving his monthly funds as regularly as if he were only "out on the road."

Such are the services rendered to business by "Revolving" Credits, arranged by the American Exchange Irving Trust Company through correspondent banks in every quarter of the globe.

Under a "Revolving" Credit, arranged through the Out-of-Town Office of this Company, repeated payments up to an amount specified will be made to a merchant or representative at a distant point, for merchandise sold or to meet expenses, without the necessity of making new arrangements or giving new instructions.

OUT-OF-TOWN OFFICE

AMERICAN EXCHANGE
IRVING TRUST COMPANY

Woolworth Building, New York

ent point. Read in this issue the replies from the business men as to the future of their industry and see how often the severity of competition is pointed out as a factor in the future.

On the desk, as we write, is an article from a prominent Ohio manufacturer which is somewhat revolutionary. He would in effect eliminate competition as to prices by "reasonable price fixing properly controlled." A visitor today, a manufacturer also, told us he'd like the Federal Trade Commission wiped out.

Our contributor wants its power greatly extended. Without agreeing, we shall print the manufacturer's article.

JUST the other day we picked up the December *System*, which featured an article, "The Next Revolution in Industry," pointing out how rapidly chemistry can overturn manufacture.

"That," said we ourselves complacently, "is not new. We've been preaching that doctrine for years."

But our complacency was punctured when we read this from an article by Dr. H. E. Howe, which is to appear soon. In it, in discussing the scientific activities of trade associations, Dr. Howe quotes Robert Kennedy Duncan as saying twenty years ago:

> During the next five years the small manufacturer who is swept out of existence will often wonder why. He will ascribe it to the economy of large-scale operations or business intrigues or what-not, never knowing that his disaster was due to the application of pure science that the trust organizations and manufacturers are already beginning to appreciate.

HERE'S A LETTER from Illinois from a reader who writes:

> When a certain Carpenter said: "All things whatsoever ye would that men should do to you, do ye even so unto them," He started something. His was a positive, constructive, working slogan. Confucius, on the contrary, stated it negatively: "What ye would have others *not* do unto you, do it not unto them," and I doubt whether he even stopped many evils.
>
> To my mind the slogan of NATION'S BUSINESS: "If it is not for the public good, it is not for the good of business" partakes somewhat of the Chinaman's "Golden Rule" nature. It is obstructive and not constructive. Why not adopt as a slogan: "If it is for the public good, it is for the good of business," and then go out strongly after positive action?

WHENEVER we touch in any way on socialism, we bring down wrath on our heads. Victor Berger's paper, the *Milwaukee Leader*, says of NATION'S BUSINESS:

> The NATION'S BUSINESS, an organ of the profiteering gentry, makes a specialty of employing the liars whom the American Socialist movement expelled.
>
> One of these skunks claims that the public housing program of the British Labor government marks another of those grand failures of Socialism which the kept pen-pushers discover so readily.



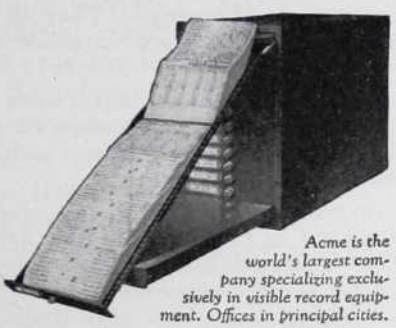
"... and it cost us $70,000 to produce that book"

"Those record forms are earning their keep, Mr. Simmons. Every one of the fifteen hundred is in actual use and showing a profit to its user! Look at these various types of stock records—and here are groups of sales records, purchase records, production records, credit records and every other conceivable record-form for every business or professional need. You happen to be interested in personnel records. Let's turn to them and we can see what other firms have found it worth while to know about their employes."

* * * * * *

Such is the book which we invite *you* to make free use of—to inspect at your own desk when you have a problem connected with record-forms.

Of course, your record problem may not coincide exactly with any solved by the forms in the book. You may want special forms for special conditions. But the records used successfully by some of the country's leading institutions will certainly give you many valuable suggestions which can be incorporated in your own forms. Here is a mine of ideas which will make your records make money for you.



Acme is the world's largest company specializing exclusively in visible record equipment. Offices in principal cities.

We believe you will be glad to look over this unique book. It cannot, we think, be approached for completeness since it is the cream of our own library of over 8,000 actual forms. It virtually constitutes a survey of business procedure from a hitherto untouched angle—the records that are today making real firms really successful.

An Acme man near you will bring it to your desk upon request. There is no obligation involved in asking to see it. Better look it over. Use of the coupon will bring both man and book.

ACME VISIBLE RECORDS

ACME CARD SYSTEM COMPANY N-B.1-28
116 South Michigan Avenue, Chicago

Gentlemen:

☐ Without obligation on my part, you may send your representative to show me your book of 1,500 record forms.

☐ Please write me concerning your system for handling _____ records.

NAME _____

FIRM NAME _____

CITY _____ STATE _____

When writing to Acme Card System Company *please mention Nation's Business*

THE 1928 CHALLENGE!

BUSINESS expansion and increased profits—this is the challenge of the new year to all industry.

To meet this challenge successfully, business must give full recognition to the basic elements on which the profits of all industry are built—the reduction of costs, the control of expenses, the direction of sales and the elimination of loss.

International Business Machines, having contributed for over a third of a century to the profitable development or modern industry, accept this challenge.

INTERNATIONAL ELECTRIC TABULATING AND ACCOUNTING MACHINES furnish the basis for prompt, authoritative decisions through the rapid, accurate analysis of production, sales and expense. They provide an infallible means of material control, thereby eliminating shortages, and guarding against the tying up of funds in materials that are in excess of requirements. Their use extends to budget control, personnel and other statistics, and the compilation and analysis of the largest single item in business activity—the payroll. To these and many other phases of business operation they bring speed, accuracy, and economy that is possible in no other way.

INTERNATIONAL ELECTRIC TIME RECORDING, TIME INDICATING AND TIME SIGNALLING devices guard against loss and assure a full measure of return for wages paid through the accurate recording of time in all departments of a business. They supply reliable information for the securing of **true costs** and they eliminate the loss and uncertainty which result from a variation of time in different sections of a plant or establishment.

DAYTON SCALES of various types meet the individual and varied requirements of business. They speed weighing operations and guarantee accuracy in stock rooms, stores and offices.

The services of this organization, its sales offices in all principal cities of the United States and in sixty-one foreign countries, are available to every business seeking ways and means of increasing its 1928 profits.

Our representative will be glad to call upon you to discuss the development of plans for the new year. A request sent either to our main office or to the sales office nearest to you will bring a prompt response.

International Business Machines Corporation

THE TABULATING MACHINE COMPANY DIVISION
INTERNATIONAL TIME RECORDING CO. DIVISION
DAYTON SCALE COMPANY DIVISION

50 BROAD STREET, NEW YORK, N. Y.
Branch Offices and Service Stations in
All the Principal Cities of the World

BUSINESS INTERNATIONAL MACHINES

CANADIAN DIVISION
International Business Machines Co., Ltd.
300 Campbell Avenue, West Toronto, Ont., Can.

JANUARY
1 9 2 8

NATION'S BUSINESS
A Magazine for Business Men

VOLUME
XVI, No. 1

Let's Clear Up the Fog!

I HAVE just finished two worthwhile books — one by a Frenchman, "America Comes of Age," and one by an Englishman, "America the Golden." They leave me strangely depressed.

Each attempts, and each honestly, to describe the soul of America; each points the critical finger at our "materialism."

Is it then so discreditable a thing to be prosperous? To make ends meet, to desire greater comforts and conveniences, to labor hard and acquire them? Must a man be belly-hungry before he can be mind and soul hungry? Is it a virtue to be work-less and hopeless?

Were it only visitors who cry out over our decadence, we might be unmoved. But there is no lack of native-born who join the wailing chorus, until we ourselves half believe that we are a nation of moneygrabbers, indifferent to the "finer things."

Is not all this based on an unfair, a too narrow conception of American life and ideals?

Tomorrow must find the spirit of America freer of the fog, a fog which we ourselves have helped to raise. We draw pictures of American life measured by the dollar yard stick. The "success" magazines, the movies, the newspapers, the schools and the pulpit constantly ask us to admire the poor boy who began selling papers and today is ten times a millionaire!

What an incomplete picture! Motives that move a successful business man are primarily motives of serving his fellowmen, satisfying their needs for greater comforts.

Consider Henry Ford! Where would he be today if he had started out to amass a billion rather than to provide a waiting public with cheap transportation?

Recently, in Washington, the Interstate Commerce Commission asked a man, a great captain of industry: "What is your salary?"

He replied, "I don't know." And he spoke the truth.

I'll stake my reputation on the belief that half of our richest men don't know what they are worth—nor do they care. Their zeal is directed towards achievement—getting a worthwhile thing done.

A wealthy man was approached the other day for a subscription to a civic fund.

"I'll give you a check," he replied, "but I honestly think I could do more for the community with the money. I could make it provide steady work for fifty men."

Is that materialism?

Foreign writers criticize us for having no old-age pensions. They fail to grasp our philosophy, which is to provide opportunity for every man to work and earn and save and thus need no dole or state gratuity.

On what better foundation can we make way for the development of the artistic, the mental, the aesthetic, the spiritual, than the self-respect born of independence?

When the fog is cleared, we shall realize, and our cousins overseas, that here in America we have created a wonderful industrial system whose foundations are set deep in morality and practical idealism; that we have created a stauncher and nobler business philosophy than we ourselves have yet visioned.

Tomorrow must find the spirit of America freer of the fog. It is important, for, as old Caesar of transscendent Rome once observed, "Nothing is mighty until it stands clearly revealed."

Merle Thorpe

has any power to operate. That duty is delegated to Congress. Congress and Congress alone will decide, subject to the President's right of veto, how deep the cut shall be.

Congress may accept the Administration's proposal or may reject it.

It may follow the proposal of the United States Chamber of Commerce or ignore it. The legislative body might, if it so decided, be guided by a proposal from the Pretzel Varnishers' Union.

But Congress in committee and in full session has listened and will listen to many divergent views, and not the least important of those views is that of the United States Chamber of Commerce as the organization most representative of American business.

Topics for Discussion

SUGGESTIONS for discussion at some meeting of manufacturers or of advertising agents. Has advertising yet settled into its right place?

Subject brought up by two recent incidents:

1. An advertising agent explains: "We have to use *Weekly Snips* for the Snap's Soap account whether we like it or not because Mr. Snap always has *Snips* on his library table and wants to see his advertising there.

2. An advertiser crossed a periodical off a list becaused he found that the company publishing the periodical used a rival's product in its business office.

As to the first would Mr. Snap have used the same methods in buying materials for soap or coal for his factory or transportation for his production?

As to the second, if the space were worth buying was it of any less value because the publisher bought the rival product?

Is there more personal feeling; more sentiment and less sense, in approving of advertising copy and buying of advertising space than there is in buying other things?

Is it true that if a company faces a need of retrenchment, the first blow of the axe is apt to be aimed at advertising, seemingly on the ground that it is an agreeable luxury, but not an essential part of the program?

Ham and Egg Diplomacy

DWIGHT W. MORROW closed the front door of 23 Wall Street behind him, retired as partner of J. P. Morgan and Company, and went to Mexico as Ambassador from the United States.

In a few short weeks he seems to have gone far in acquiring for himself an understanding of Mexico and, in giving to Mexico, an understanding of the United States.

To this magazine of business affairs, the appointment has more than a political interest. A business man has been appointed to, and has accepted, a high and difficult diplomatic post, one where the social rewards are few, and the work arduous.

More than that, he gave up one of the high prizes of American business. Has any man ever refused a partnership in the house of Morgan? What a dukedom has been in the British peerage a Morgan partnership has been in American business.

And certainly Mr. Morrow will never merit those phrases which Representative Gallivan used so gaily in the House the other day, when he spoke of our "shirt-tail diplomacy, ready to spend and scatter and souse the socially select."

What 1928 Will Mean

A MAJOR part of the duty of the editors of this magazine is to seek out, and to study, those movements which are the chief concern of American industry. Recently two things have been noticeable: The tendency of business to consolidate into larger units, and the repeated cry that too much business is being done without profit.

Both these conditions indicate that we are in a period of tremendous competition, a condition which, it seems likely, will go over into 1928, so that the question of costs both of production and selling is certain to receive far greater attention in the coming year than ever in the past.

There is nothing in the future to alarm the prudent and the skilful, nor to encourage the shiftless and the ignorant. That seems like a platitude, but we have passed through business eras when the shiftless and ignorant were encouraged and we paid a heavy bill afterwards.

It is idle to undertake to say what will happen. Prophecy is doubly dangerous when we consider the part states of mind play in making business good or bad. People are just as hungry, just as cold, just as eager to get amusement in a presidential year as in any other. Yet we know what the effect of campaigns has been in the past.

What Taxes do to Business

TO WHAT extent is "profitless prosperity" due to the tax situation? How much expansion is in red ink because of an unfair burden on corporations? The *Bache Review* has this to say:

"The success of business is the basis of all prosperity and consequently accrues to the benefit of every individual. Margins of profit have been steadily dwindling in the last two or three years, and this has acted adversely, and more especially, upon the smaller concerns. If lower taxes, to the limit, are inaugurated, all business will benefit by it and by the encouraging sentiment which will follow such action; and business needs just this sort of encouragement now to give it added confidence."

A good presentation of the case for reduction of the corporation tax. Another comes from Thomas S. Adams, a member of the Chamber's Tax Committee, who said in a recent address:

"It is my opinion that in the last five or six years the corporations of the country, through their comparative inactivity, have failed to secure reductions which were fiscally possible and which would have benefited not only themselves but the country as a whole.

"According to recent estimates of the Treasury Department, if the corporations of the country were treated as partnerships (that is, the stockholders paying as individuals on their distributive shares in the corporate earnings), the average rate of tax on the stockholders would be 9.10 per cent; whereas they actually pay, through the corporation, 13½ per cent, and are subject in addition to surtaxes on distributed dividends which bring the total rate paid through both taxes to 15.27 per cent.

"This discrepancy between the individual and the corpo-

ration rates not only represents an illogical discrimination against the corporate form of business organization, but it has other unwholesome effects."

Enter New Ford; Exit Jokes

THE SPECTACULAR business episode of the month of December was the appearance of the Ford. Was it a triumph for advertising, a triumph for the personality of the most talked of man in America, or an indication of the place the old reliable Model "T" held in the public affection? All three probably.

If we nickname those we love, then we loved the old Ford. Who calls a Chevrolet or a Pierce Arrow any diminutive of affection? Flivver, Lizzie, Henry, Tin Lizzie—the driver of what other car ever called it a nickname, ever so reviled it or rose so quickly to its defense? The only persons permitted to speak disparagingly of Fords were Ford owners themselves.

Elsewhere we tell the story of the machine that has just passed. Now a million buyers are comparing the new one with other cars. Makers of other automobiles watch to see what the next few months will bring forth.

But, we venture to say that the new Ford will never fill the place in the public eye and the public heart that the old one did. As many Fords may run, but the Ford joke is dead.

Mystery Selling

INGENIOUS are the efforts of foreign-owned ships to suggest to prospective travelers that there are spots where the 18th Amendment does not hold. One line going out of New York says:

"In an English smoking room, good sport, good smokes and good spirits."

Another line describing the excellence of its food adds:

"And think of what goes with it, just as it always did."

Query: Is it unlawful for a foreign-owned institution to advertise that it may lawfully sell liquor?

The Railroads Cry For Help

THE DOCTRINE, that the Interstate Commerce Commission is charged by the Hoch-Smith resolution with the task of rescuing depressed industries, is being fought in the United States courts by the railroads. Opposing the decision in the California Fruit Case, the petition of the carriers says:

> The order and the new rates and each of them are based upon a mistake of law and are erroneous and beyond the power of the Commission, in that the order was made and the new rates fixed without any determination or finding that the new rates or either of them are reasonable.
>
> It is true that said report does purport to find that rates higher than the ones fixed are unreasonable; but the word "unreasonable" as so used does not refer to the test of reasonableness prescribed by law, but refers instead to the mistaken and erroneous belief of the Commission that the Hoch-Smith resolution creates a new and different standard of reasonableness, dependent, not upon the cost or value of the particular service, nor upon the right of the carrier to a reasonable return from its property, but *rather upon the existence of a depression in the business of particular shippers, the inability of such shippers to realize a profit from their shipments, and upon the relatively prosperous condition of the carriers' finances.* No determination or finding upon the actual reasonableness of the new rates or either thereof was made by the Commission, nor were the existing rates found to be unreasonable.



The Drafted Samaritan
(See "Railroads Cry for Help" on this page.)

It is a great power the Commission claims when it sets up its right to alter railroad rates to relieve a depressed industry. If one government agency can change freight rates, why not empower some other agency to fix the price of other things the sufferers buy. If the grape industry uses fertilizer, let the Department of Agriculture lower the price until the depressed industry raises its head.

Paternalism is running wild.

This Case Is Dismissed

"YOU ARE charged," said the judge, "with beating up this government inspector. What have you to say?"

"Nothing," replied the greengrocer. "I am guilty. I lost my head. All morning I had held my temper while government agents inspected my scales, tasted my butter, smelled my meat, graded my kerosene. In addition, Your Honor, I had just answered three federal questionnaires. Then this bird came along and wanted to take a moving picture of my cheese and I pasted him in the eye."

The Map of the Nation's Business

"The new year may offer wider outlets for a number of industries"

by FRANK GREENE

Managing Editor, Bradstreet's

NOVEMBER was very much of a piece with October in trade and industry. That is, there were, except for a few periods of seasonable weather, rather general complaints of temperatures being too warm for best fall trade, while industry receded and in most of the heavy industries fell well below a year ago. The two influences combined to class November as another autumn month in which activities fell below earlier expectations.

The early days of December saw a rather marked pickup in some lines, notably in the automobile industry and in holiday buying, which latter was perhaps more than ordinarily stimulated by the start rather earlier than usual of the campaign to push Christmas shopping.

Early December witnessed the appearance of the long-awaited Ford. This seemed to have an important psychological effect on the industry as a whole, and certainly released a volume of banked-up buying of cars and car material.

1927 Slower Than 1926

EARLIER conclusions based particularly on the events of the last half of the year, however, stand as heretofore indicated; that is, that 1927, in many lines of distribution probably, and in heavy industries certainly, will not measure up to the now generally conceded peak year 1926.

Several important developments which deserve passing notice marked the month just ended. One important feature was a rebirth of activity in the speculative markets, more particularly in stocks. The loss in strength noted in October was practically regained with new high records made in breadth of trading, and with new high figures of totals of brokers' loans recorded in November, and, again, early in December.

In the grain markets and, in fact, in most markets for primary and secondary farm products, more strength was shown. A conspicuous exception to this, however, being found in cotton prices, which in late November and again in early December, fell to the level of early August.

An important feature from a trade and industrial standpoint, noted earlier in the year, but increasingly evident in November and December, was the number of mergers, present and prospective, announced. To many this is a marked recognition of the fact that 1927 has proved a year of keen competition for business, probably with a majority of concerns reporting lessened returns on capital invested.

Viewed from the standpoint of favorable developments, the agricultural interests and traders dependent upon them cut a rather better figure than did the industrial element. This was due mainly to the higher range of prices of farm products as compared with a year ago, and the larger-than-expected yields of key crops such as wheat, corn, cotton, potatoes, etc.

The corn crop is now pretty generally conceded to be equal in size to a year ago, with, however, an unequal distribution of gains or losses over a year ago, states west of the Mississippi got practically all the gains. The price is still above a year ago with, however, the movement to market only just beginning.

Cotton Above Last Year

COTTON prices have sagged from the top of a few months ago, and are about at the lowest of the season, in fact. The price is still more than 50 per cent above a year ago with the apparent yield only 29 per cent smaller.

Potatoes have not been so satisfactory, selling 85 cents to $1.00 per hundred pounds less than a year ago, on a slightly larger indicated yield.

Cotton acreage prospects for next year are still nebulous, but a gain over the acreage this year, which saw a decrease from 1926 of 7,000,000 acres or 14 per cent, is indicated.

The course of "heavy" industries in the month just closed, is perhaps best shown by the decreases from November a year ago of 31 per cent in bituminous coal output, of 7 per cent in anthracite coal, of 18 per cent in pig iron, of 14 per cent in steel ingots, and of 1.7 per cent in building permit values.

Over against these are to be set a gain of 3.4 per cent in cement production and a slight gain in lumber shipments. Returns available for months preceding November, mostly October, in other industries display a decrease of 34 per cent in automobile output and of 15 per cent in tire production, against which are to be noted a gain of 7.8 per cent in cotton consumption, 6 per cent in output in electricity, 9 per cent increase in gasoline output, a new high level for that month, and an increase in public utility

BUSINESS INDICATORS

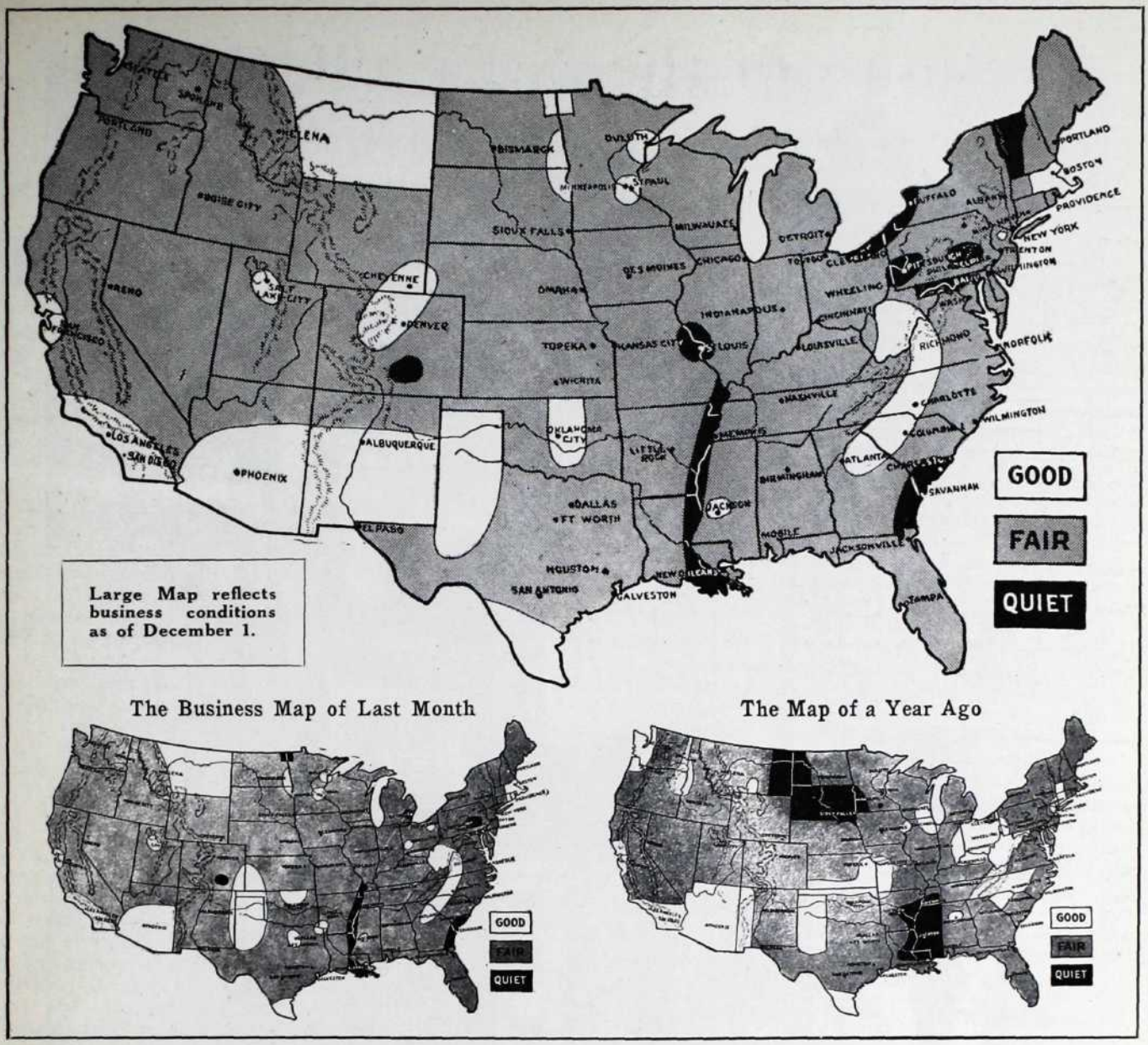
Latest month of 1927 and the same month of 1926 and 1925 compared with the same month of 1924

	Latest Month Available	Same Month 1927	Same Month 1926	1924 = 100 1925
Production and Mill Consumption				
Pig Iron	Nov.	105	129	120
Steel Ingots	Nov.	99	119	125
Copper—Mine (U. S.)	Oct.	100	109	103
Zinc—Primary	Oct.	118	129	119
Coal—Bituminous	Nov.*	96	142	120
Petroleum	Nov.*	131	123	109
Electrical Energy	Oct.	133	127	115
Cotton Consumption	Oct.	115	106	102
Automobiles	Nov.*	56	112	163
Rubber Tires	Sept.	102	121	106
Cement—Portland	Oct.	116	112	108
Construction				
Contracts Awarded (36 States) Dollar Values	Nov.	117	125	123
Contracts Awarded (36 States) Square Feet	Nov.	121	123	141
Labor				
Factory Employment (U. S.)—F. R. B.	Oct.	99	104	105
Factory Payroll (U. S.)—F. R. B.	Oct.	102	110	108
Wages—Per Capita (N. Y.)	Oct.	106	107	104
Transportation				
Freight Car Loadings	Nov.*	101	113	105
Gross Operating Revenues	Oct.	101	107	103
Net Operating Income	Oct.	105	115	108
Trade—Domestic				
Bank Debits—New York City	Nov.*	138	112	117
Bank Debits—Outside	Nov.*	121	114	113
Business Failures—Number	Nov.	113	111	101
Business Failures—Liabilities	Nov.	116	105	115
Department Store Sales—F. R. B.	Oct.	107	112	117
Five and Ten Cent Store Sales—4 Chains	Nov.	133	124	111
Mail Order House Sales—2 Houses	Nov.	130	121	113
Wholesale Trade—F. R. B.	Oct.	96	99	106
Trade—Foreign				
Exports	Oct.	93	86	93
Imports	Oct.	114	121	120
Finance				
Stock Prices—20 Industrials	Nov.	178	143	142
Stock Prices—20 Railroads	Nov.	147	126	113
Number of Shares Traded In	Nov.	118	75	118
Bond Prices—40 Bonds	Nov.	109	105	102
Value of Bonds Sold	Nov.	72	74	62
New Corporate Capital Issues (Domestic)	Nov.	279	138	127
Interest Rates—Commercial Paper, 4-6 months	Nov.	122	137	136
Wholesale Prices				
U. S. Bureau of Labor Statistics	Oct.	98	101	105
Bradstreet's	Nov.	100	94	106
Dun's	Nov.	98	95	100

Retail Purchasing Power, July 1914 = 100.	July, 1914 = 100 Oct. 1927	Oct. 1926	Oct. 1925
Purchasing Power of the Retail Dollar	61	60	59
Purchasing Power of the Clothing Dollar	59	58	57
Purchasing Power of the Food Dollar	64	63	62
Purchasing Power of the Rent Dollar	60	57	56

*Preliminary.

Prepared for *Nation's Business* by the General Statistical Department, Western Electric Company, Inc.



gross earnings of 6 per cent. Among financial measures, it may be noted that sales of stocks on the New York Exchange were the fourth largest monthly total recorded; bank clearings gained 17 per cent and bank debits 18 per cent.

Commodity prices rose 1 per cent for the month of November, and were 5.8 per cent above the December 1, 1926, level.

Car loadings, which are manifestly a good indicator of the movement of heavy freight the country over, seem to confirm the idea that production sagged remarkably in the last six months. The November loadings fell 10 per cent below November a year ago, and 6.6 per cent below the like period of 1925. Gross receipts for the year to December 1 are 2.6 per cent, and net income 9.2 per cent below 1926 on a 2.1 per cent decrease in car loadings.

In distributive trade, November saw recorded a gain over the like month a year ago of 8.7 per cent in chain-store sales; and of 7 per cent in mail order.

There are some indications that the iron and steel industry, after a rather long period of recessions in production, is scraping the bottom of the depression. There was visible, for instance, a firming up of prices of bars, plates and shapes with enlarged orders for some and for pipe, steel rails and track fastenings. Agricultural implement manufacturers bought freely, and early in December automobile manufacturers bought more freely of sheets and other steel. Pig iron, also, sold better in December with some weakness in prices noted, whereas scrap, an old-time trade barometer, advanced slightly.

The Year in Retrospect

THREE important developments stand out in any review of the year's happenings. First and foremost of these, from a favorable psychological standpoint, has undoubtedly been the continuance of activity in the stock market which, aided by the ready supply of low-priced money, has broken all records for breadth of dealings and for the high levels reached by average prices.

Second, perhaps in importance as affecting trade and this on the whole unfavorably, was the concededly unsatisfactory weather.

Third, perhaps, might be mentioned the evidences of keen competition in most lines of business which was generally regarded as indicating that capacity for production is greater than is needed in any but the most active of trade years.

In general industry there seems a curiously deep undercurrent of belief that the new year may see some great forward steps in the automobile industry which, while perhaps ultimately productive of increased competition, may offer wider outlets for a number of important industries.

If a prediction be hazarded as to the general outlook, it would perhaps deal with the matters of costs, productive and distributive, upon which attention will probably be centered as seldom before, and with which 1928 business success or the reverse seems likely to be closely bound up.



"The Spirit of St. Louis"
An Etching by Anton Schutz

Here is the "Spirit of St. Louis," as much as Colonel Lindbergh's airplane. From this center radiates the control of a thousand industries. Anton Schutz, whom we like to think of as the successor of Joseph Pennell, has caught the bigness and the thrilling life that makes up our great cities. This is one of a series of etchings by Mr. Schutz portraying business centers of America

The Roll Call on the New Year

Thirty men, chosen from all sections and from all lines of industry, express their views of the first six months

BRING together the directors of the United States Chamber of Commerce and you'd have—

Thirty-odd men who represent not only every great geographical division of the United States, but practically every leading industry.

When they meet, an insurance president from Boston may find himself next to a contractor from Los Angeles, a banker from Louisiana sitting by an automobile maker from Michigan.

What better group, then, to whom to turn for worth-while news of what's ahead in 1928, a year which promises much that is eventful for American business, a year in which, among other things, we shall see the effect of a presidential campaign on industry.

Let us start up in the Northeast and ask some questions.

"Walton L. Crocker, what do you think lies ahead? Give us the viewpoint of one who lives in Boston and heads the John Hancock Mutual Life."

"I THINK," said Mr. Crocker, "that as conditions are in New England there is an optimism which is in a great measure justified by the reconstruction of business methods, a promise of continuation of orders in satisfactory volume, and a feeling of assurance in the region of the money market, with interest rates on investment property barely holding their own and being gradually but steadily lowered elsewhere all over the country. Industrial effectiveness, short-term buying and selling keep our demand and supply pretty closely together and impart much stability to general business.

"The curve of life insurance prosperity follows that of the country as a whole. The increase of new business has not been as great this year as in the previous year, but the volume is steadily satisfactory. There seems to be no reason why we should look forward to any general let-down of this country's prosperity."

Another New Englander, this time from Bridgeport, where he makes machine tools.

"Stanley Bullard, vice-president of the Bullard Machine Tool Works, please. How does it look to you?"

"IN Southwestern New England," was Mr. Bullard's answer, "the third quarter of 1927 showed a continuance of the generally satisfactory business, industrial and employment conditions which had been evident during the first six months of the year.

"The fourth quarter has, so far, not been as good generally, though in some lines, notably building, there has been a slightly increased activity. The recession has not been serious nor does it, in the opinion of the leaders in our several lines of activity, indicate anything other than a reflection of business conditions in the country at large.

"For the first half of 1928 there appears to be no reason for pessimism—in fact the various metal and machinery fields already have evidence of a forward tendency in their respective lines shortly after the turn of the year."

One more New Englander, also a maker of machinery. Henry D. Sharpe, head of the Brown and Sharpe Manufacturing Company, answers the call.

"NEW ENGLAND," says he, "will enter 1928 with more of optimism than a year ago, because New England understands itself better.

"The main industry of this section, that of cotton manufacturing, seems to enjoy a better tone than a year ago, though considerable will happen before an assurance of prosperous business may be reached.

"New England's railroad systems are looking up to a degree unknown for many years, and business generally has a firmer tone with confidence for the next year.

"My anticipation of activity in my own industry, that of machine tools, impresses me that 1928 will show a conservative amount.

"Generally speaking," went on Mr. Sharpe, "during the last year demands have been from hand to mouth, rather than indicative of any future developments. 1928 will exhibit a continuance only of the immediate past.

"The industry is like many others exhibiting signs of the keener competition, with a buyers' market.

"There is no better educated clientele than that enjoyed by the machine tool industry, they having been trained for many years by the best technical press in the world. Designs of machine tools more and more have to be sold on real merit of goods themselves."

Come now to New York, ask a leader in the automobile and chemical industry, John J. Raskob, chairman of the Finance Committee of General Motors and vice-president of E. I. du Pont de Nemours.

"I EXPECT," said he, "that 1928 will be a better business year than 1927. In fact, there is good reason to anticipate that 1928 will witness the greatest prosperity our country has ever enjoyed.

"There is little, if any, inflation anywhere, an abundance of credit, a material increase in farm purchasing power as a result of good crops and prices, generally small inventories, and at least a moderate upward trend of the general price level with the greatest strength in recent months occurring in agricultural prices. These are all factors favorable to business expansion. Another highly important influence upon next year's business is to be found in the automobile industry. Because of conditions resulting from Ford's change of model, the automobile industry this year has produced about 25 per cent fewer cars than I believe it otherwise would have produced. There obviously has been a postponement of automobile buying this year by hundreds of thousands.

"This deferred demand will undoubtedly come into the market next year and will greatly increase the industry's volume, with the result, I believe, that 1928 will establish a new record of automobile production and sales."

Another New Yorker, this time a leader in the public utilities field, an industry which is sure to be in the public eye this winter.

"Matthew S. Sloan, president of the Brooklyn Edison Company, please."

"HERE is what I think of the outlook for the electrical industry," was Mr. Sloan's answer.

"The outstanding characteristic of the electric industry, considered as a business, is its stability. Year by year its sales of energy increase.

"The central stations of the country serve sixteen millions of homes and most of the commercial and manufacturing establishments. Only widespread, drastic business depression could interrupt the steady progress of this industry.

"So far as I can see business in general will be good in 1928. In my section of the country I hear of local problems and some lines of business wish 'things would pick up.' In all probability they will. Nothing within my knowledge is warrant for pessimism."

Still sticking to the Atlantic Coast, but a manufacturer this time, Ernest T. Trigg, head of John Lucas and Co., paints.

"Mr. Trigg, how do Philadelphia and the paint business feel about 1928?"

"I BELIEVE the prospects are conservatively encouraging," is Mr. Trigg's answer. "I see nothing in the situation to justify undue expectations. I believe that any sound, substantial business will make good progress during the year if it is sufficiently aggressive and intelligently conducted. I am con-

BUSINESS MEN YOU HAVE READ ABOUT



U. & U.

AMBASSADOR

Banker Dwight Morrow, who closed the desk of a Morgan partner, the peerage of American business, to take an exceptionally tough diplomatic job



PACH BROS.

LL.D.

"Lessens Loss by Diversity." That's the translation that Owen D. Young gave to Sidney Z. Mitchell's new degree. He's president, Electric Bond and Share



BLANK-STOLLER, INC.

FASTER SHIPS

Four days! Lawrence R. Wilder of the American Brown Boveri Company, would run ships to Europe in that time if the Shipping Board makes a loan



CONTROLS MILLIONS

As Finance Chairman of General Motors, John J. Raskob's work is dealing in millions. No man with twelve children sees life only in dollars and cents terms



H. & E.

FLOODS

As Chairman of the National Chamber Flood Control Committee, Frederick A. Delano told Congress that flood control is for the Federal Government

vinced that only those manufacturers will continue to succeed and make progress who give to the public quality merchandise.

"I am also convinced that manufacturers who distribute their products through jobbers and dealers must render a high order of service and cooperation to their jobbers and dealers if they expect them to be successful in meeting competitive conditions, which have back of them a mass buying power of some form or other.

"The problem of distribution in my opinion is the most important one facing manufacturers whose products go to the public generally. There is room for improvement, and there is room for the elimination of much waste effort. This problem will occupy a prominent place in the consideration of all successful manufacturers and distributors during 1928."

From Philadelphia comes Philip H. Gadsden, vice-president of the United Gas Improvement Company. What does he think of the gas and electric outlook?

"INDICATIONS," said Mr. Gadsden, "point to improvement of business conditions in Philadelphia and vicinity from the beginning of the new year.

"In so far as the gas and electric industries constitute a barometer of trade, the outlook is particularly promising. Preparations have been made, based upon careful research and analysis, for the most satisfactory commercial year in the history of the business.

"Mergers, either completed or in process of formation, will mean greater facilities for supplying gas and electricity to the customer, all of which will be reflected in the growth of the gas and electric business."

The director from Florida is Frank D. Jackson, president of the Jackson Grain Company, of Tampa.

"I CONSIDER the business outlook for the early months of 1928 fair to good for the southeastern portion of the United States. Do not expect to see any records broken.

"Higher priced cotton is increasing purchasing power in a large part of this territory. The Florida boom has been successfully liquidated and the people there are hard at work. Citrus crops in that area are bringing good prices. Acreage in vegetable and winter crops has been considerably increased. Power companies throughout the southeast are showing satisfactory development. Local lumber markets are generally quiet but fair volume of export business being profitably handled. Jobbing and the distribution of merchandise in other channels is in good volume in most of the area, but gross profits are reported somewhat under previous years.

"The outlook favors continued conservative but profitable growth of the yet largely undeveloped resources of the southeast during 1928."

Turning westward, stop a moment at Pittsburgh and meet A. L. Humphrey, president of the Westinghouse Air Brake Company. He is most optimistic.

"THERE is in my recollection," says Mr. Humphrey, "no period in the history of American industrial development when we were approaching a period of vaster business activities and a greater contentment among the people of this country than with the beginning of the coming year.

"A consensus of reports from all parts of the United States expresses a most gratifying improvement in agriculture and most satisfactory condition prevailing in the labor market, assuring us of steady employment and steady wages.

"These conditions, accentuated by a favorable money market with easy credit and a renewed activity in all industrial branches, notably in the automobile, the aircraft, the railway and the transportation industry, in general give us every reason to look forward towards results which will most favorably compare with those of any previous period in our industrial progress."

From Pittsburgh to Indianapolis, where we ask Felix McWhirter, president of the Peoples State Bank, who answers:

"THREE fairly evident tendencies or conditions appear strongly to justify an optimistic outlook generally.

"It is becoming more evident that a fair profit to all essential factors in the distribution chain will improve the entire business fabric, with no material increase in the cost of a given product to the consumer.

"Forced sales are being eliminated. Producer and distributor have come to realize that unloading was one of the poorest commercial devices ever conceived.

"With capital relatively abundant and seeking legitimate sensible and safe employment, business generally is bound to feel the beneficial impulse.

"The conditions fundamentaly are ripe for continued and constantly improving good business if the unnatural barriers of inequitable, unscientific and abnormally high corporation taxes, levied for war-time purposes, but continued far into a peace area, are removed by Congress. The general commercial morale will also be greatly improved if 'adequate national defense' should be officially defined and clearly enunciated and wise and well-considered measures should be adopted for the fostering and expanding of our foreign markets."

Two men from Chicago are called on:

IN THE PASSING NEWS OF THE MONTH



SPARK PLUGS

Albert Champion, born in France, began as a bicycle and automobile racer. Recently he died, leaving a large fortune built on spark plugs bearing his name



VENI, VIDI—

From Italy at 22 came Sylvester Z. Poli, a born showman. He just sold out a chain of theaters, part of his interests, for some trifle like $30,000,000



A BILLION

A. P. Giannini runs probably the largest branch bank system. The Giannini interests, including the Bank of Italy and Bancitaly, total about a billion



COUGH DROPS

Thirty cents' worth of sugar was the basis of William Luden's cough drop and candy business and he wouldn't sell it until he found one man to carry on



TAX LEADER

James R. McColl, manufacturer, chairman of the National Chamber's Tax Committee. Its findings made the nation think more about fiscal affairs

one the head of the Chicago and Northwestern Railway; the other the president of the Lumbermen's Mutual Casualty Company.

"ENCOURAGING" is the word chosen by President Fred W. Sargent of the Chicago and Northwestern Railway to describe the outlook for 1928.

"1927 has witnessed an effort on the part of consumption to catch up with production, and the indications now are that 1928 will evidence a fair balance between these two fundamental factors, each indispensable to a prosperous economic condition.

"Crops in the northwest territory in 1927 were good. Old debts are being paid off. Savings bank deposits are on the increase and wages are reasonably stable.

"The impetus which these influences will give to business in the coming year should not be lightly considered and can be relied upon to exert a real force for good in the future.

"So far as the Chicago and Northwestern Railway Company is concerned, we are preparing to go forward as usual with our program of maintenance. While in common with certain other railroads, especially in Western Trunk Line territory, we have been dealt some severe blows in the matter of rate regulations, yet we have faith in the ultimate justice and fairness of our administrative authorities, and it is our policy to go forward in 1928 with our enlarged improvement program."

James S. Kemper of the Lumbermen's Mutual is less sure.

"HARDER to get and harder to handle profitably—that's the outlook, as I see it, for business in general and for the business of insurance in particular. But there will be plenty of business to get and it can be handled profitably, too.

"Business will be harder to get because distribution in almost all lines has increased in efficiency to a point that tremendously increases competition.

"Business will be harder to handle profitably because competition is forcing prices in many lines down and ever-increasing living standards are keeping wages up.

"That there will be plenty of business to get seems to me certain. In no way that I have seen can the determining factors be shifted about and arranged to point to any marked slowing up of demand and consumption. Low interest rates and easy payment privileges will contribute favorably.

"That business secured in sufficient quantities to absorb overhead can be handled profitably is to my mind equally certain. In insurance it simply means that we must make an exact science of our management. I believe that is not far from the answer in many other businesses."

Before we leave Chicago, let us ask Robert P. Lamont, president of the American Steel Foundries, how the business of supplying the railroad promises.

"THE RAILWAY equipment business for the past seven or eight years has felt the effects of the gradual absorption by the automobile of a large percentage of the short haul passenger and freight business of the railroads.

"There are indications in some territories at least that the automobile is approaching the limit of business it can economically carry. If, when and as this becomes general the equipment business will improve."

Two men contribute to the discussion from the agricultural implement business, William Butterworth, president of Deere and Company at Moline, Illinois, and William Black, president of B. F. Avery and Sons of Louisville.

"JUST at this time," said Mr. Butterworth, "the general outlook for the industry is favorable. The farmer has had a year of increased crop yields and good prices; and, because of his wider use of modern labor-saving machinery, especially in some sections, he has produced his crops at a lower cost.

"Unquestionably the hard years of readjustment taught the farmer much, just as they did men in charge of other industries. He is a much better business man than he used to be.

"We believe that his healthy buying power is going to benefit general business next year in much the same way that it did in the years before readjustment from war conditions created havoc with business. We confidently expect that our own 1928 business will be at least as satisfactory as in 1927."

MR. BLACK agrees in the main. "Business will, of course, depend upon the crop prospects and yield."

But with that proviso, Mr. Black describes the prospects for good business in farm machinery lines in the southern half of the United States as "favorable," and adds:

"The cotton crop, though not large, has been well distributed, and the producers will receive approximately six hundred million dollars more for the present crop than for the previous one, which was 40 per cent larger.

"The tobacco crop in Kentucky is one of the smallest on record for recent years, but the indications are that the prices will be reasonably satisfactory to the producer.

"Southern farmers have prided themselves during 1927 on getting along with-

(Continued on page 54)



Illustrations by Frank Murch

Many a small business man may grow bigger, but in so doing he may stick his head into clouds of disaster

Red Ink Expansion—Danger!

by JOHN SHERWIN

Chairman, The Union Trust Company, Cleveland

BACK of the reports of dwindling industrial earnings and rising business failures, in the last year, is oftentimes the story of unwise expansion in merchandising and manufacturing. It is a story of red ink expansion, either in the form of overstriving after volume attained at a loss or a straying into unfamiliar or unrelated fields of manufacturing and merchandising. Expansion is a good thing when it rounds out the operation of an industry and permits of a logical enlargement and cultivation of a profitable market and kindred channels of trade. That is the principle underlying the great development of American business enterprise.

The carpet mill profitably does its own spinning, its weaving and its dyeing. But, should the carpet mill overstep its own field and take on the manufacture of silk gloves, it is courting the fate that frequently overtakes incautious management.

Volume, Even If It Hurts

WE HAVE at this time excessive productive capacity in many lines of business. Everywhere, on the part of producers, there is evident the tendency to strive after volume, even if the resulting product must be disposed of at ruinous prices. We need look no further than at some of the great basic industries. Huge over-production in the petroleum industry, the depression level of prices in the iron and steel industry, and the deplorable conditions in the bituminous coal industry are symptoms of this difficulty.

This over-abundance of productive capacity is partly an inheritance from war-time expansion, and partly the result of the increase in productive facilities, encouraged by the enormous ease of money and great strides in mechanical inventions since the war. Curiously enough, much of the increase in productive facilities has been the outgrowth of the very competitive condition which it has aggravated.

With large productive capacity, competition naturally is keen. In an effort to cut costs to meet competitive prices, producers have introduced all manner of improvements and economies. This has been good in itself, because it has tended to lower costs, but, due to the intense competition created by the resulting additional supplies of commodities on the market, the savings in cost to the producers frequently have been more than swallowed up by price reductions.

In the steel industry, for instance, the greater part of the many millions expended on plant in the past few years has gone for improvements in equipment designed to increase efficiency and lower production costs. Yet the producers have not shared in the benefits. In 1926 a new high record production of steel was established, yet the return on capital investment in the industry was not more than 6 per cent, and in the third quarter of 1927 the annual rate of return had dropped to only 4.5 per cent.

What Red Ink Expansion Is

THE trouble is not that industry has striven to heighten the efficiency of its operations and to make unit costs low. This, of course, is all in the line of progress. The real difficulty lies in the misapplication of these productive processes to the creation of goods that must be pressed upon consumptive markets at a loss. In the system of mass production which this country has built up there must be mass consumption. There can be no mass consumption unless there is a large quantity of goods at low prices. Producers in some lines mistakenly look upon volume as their only salvation.

They think too much in terms of volumes and not enough in terms of profits. Manufacturing costs are based upon an estimated amount of production. If factory schedules are budgeted beyond the capacity of the market to absorb, and at a reasonable profit, then the producer is indulging in red ink expansion.

He may hope, by means of high-pressure sales and advertising campaigns and by the employment of installment

selling, to dispose of the product into consuming channels. Frequently this may be done successfully, but just as often it is found that there is a point beyond which the high-pressure effort will not produce a profit because it is too costly.

When a producer expands his output or branches into a new market he ought to be sure that a real potential demand exists and that the new product does not merely add to the already serious competitive difficulties existing in its particular market. Apart from possessing exact knowledge as to the marketability of the product, the manufacturer should know in advance the cost of the sales effort. He should know also what to expect in the way of profit.

When Growth Meant Loss

NOT many years ago a large company built up a national and world-wide name as a producer of high-grade equipment. The enterprise was profitable, but the management wanted to do bigger things and to increase the volume of its business. It, therefore, branched out in a number of new lines, without the groundwork of previous experience or intimate knowledge of conditions in the field. In attempting to familiarize itself in the new lines it allowed weeds to grow up in the old field.

Business began to fall away, the new pastures did not prove so profitable as they had been alluring, and the company, once prosperous, began to go down hill. Before it was too late, recognizing its mistake, the company charged its losses up to experience and headed back into its old field, where it is prospering anew.

Another great manufacturing company wanted to cut the unit cost of one of its equipment products. In order to increase the volume of output, the company developed an article in which the product was used as a base. The new product had no important feature of improvement over old ones in the field, and, in attempting to push it in a highly competitive market by means of a house-to-house sales campaign with which it was unfamiliar, the company found it was in an unprofitable venture. Cost of sales and distribution swallowed all of the saving accruing from increased volumes.

The producer should not seek to expand volumes or develop new products unless he is convinced, after careful and comprehensive investigation, that the market will permit profitable exploitation.

Not long ago a company making sheet metal parts for automobiles failed after it had purchased a plant which practically doubled its capacity. This company had expected to enlarge its market in proportion to the enlarged production. But it soon discovered that it was already doing a larger share of the business in its field than it could hope to hold against the drift of the parts business back into the motor plants themselves.

Another company which had been making automobile bodies was left with large space on its hands when some of its customers decided to build their own bodies. This company scattered its efforts into many kinds of manufacturing activities, with none of which, apparently, was it familiar. The burden of separate sales departments proved too great and the company was liquidated.

Banks themselves have not been immune from mistakes of this kind. Banking profits are tending to fall now because many banks are paying too high a rate of interest on deposits compared with the present low interest rates on bank loans. Banks provide many free services in order to get volume of business. In other words, like many other businesses, they buy volumes at too high a cost. Consequently, profits suffer.

The explanation for all this is that these are highly competitive times. These conditions probably will continue because of the large capacities for production, and efficient railroad transportation.

Business Spreads Its Wings

IN SOME industries the development of labor-saving and efficiency equipment has been so tremendous that much of the old equipment has been rendered obsolete. Tire-making machinery has had vast improvements. The same is true in the iron and steel industry and in practically all lines, as is indicated by the increase in the productivity of labor by several fold in the last two decades. In the iron and steel industry, for instance, the capacity of large blast furnaces now being constructed is double that of eight years ago.

As a result of these great improvements the individual business, before spreading its wings, must make sure that it can compete with other producers, that its costs will not be higher than theirs and that it will not have to spend too much in sales and advertising.

Petroleum and Profits

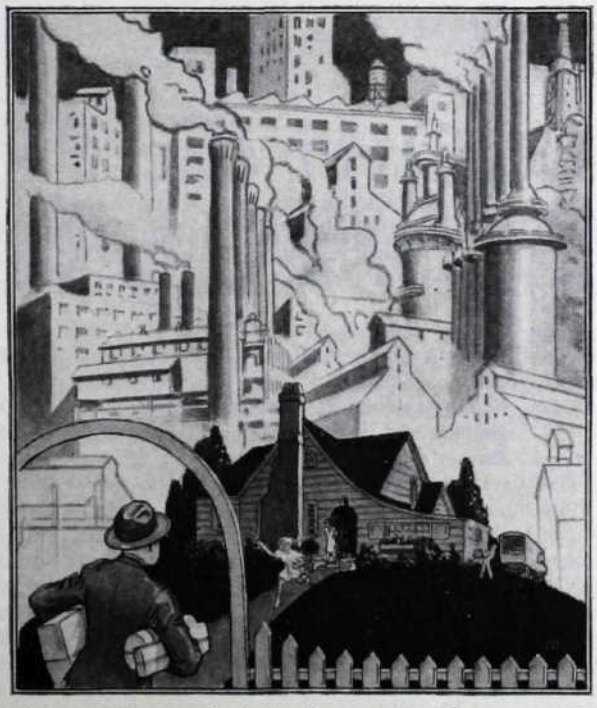
A GLARING example of what may happen to an entire industry when the producer thinks primarily in terms of volume rather than profits may be found in petroleum. During 1927 the industry probably augmented its storage by approximately 57,000,000 barrels, representing an excess of 6 per cent of supply over demand. This surplus, according to competent authority, has been responsible for a depreciation of $600,000,000 in the gross income of the oil business compared with 1926. Theirs has been a year of diminishing profits. The flood of new oil in 1927 came primarily from two sources, the flush production of the Seminole field in Oklahoma and the new tool of the oil industry, the gas-air lift. The production rate was greatly increased by this invention, and a vast surplus was thrown on the market. Here is an instance where an industry is indulging in red ink expansion.

The bituminous coal industry is another. In the first twenty-five years of this century the annual production of coal increased in about the same proportion as the increase in the population, or 54 per cent. There was little increase in the per capita consumption of coal, yet there was a great increase in potential producing capacity.

At the present time the productive capacity of soft coal is from 50 to 60 per cent greater than the normal demand. Meanwhile, since the beginning of the century, there has been a great increase in the use of power. The installed capacity of primary horsepower in the country increased 256 per cent against the 54 per cent increase of the population. It would appear that expansion of power equipment or service has been a profitable venture in the main, while expansion of coal production has been red ink expansion not justified by a potential demand for the product.

The iron and steel industry also has had a notable enlargement of capacity. Plants have been extended and efficiency increased in an effort to get costs down.

As one spokesman in the steel trade recently wrote, "Everywhere cost reduction has been the slogan. Everywhere volume has been strained after as a foremost means of cost reduction and volume too often has



"Industry is geared up in the race for the consumer's dollar, and he is lord"

been secured by price recession. That is the vicious cycle."

Commissioner George H. Charls of the Hot Rolled Strip Steel Institute recently said: "Excessive productive capacity and the apparent inability to resist the moss-covered impulse of operating the plant to a capacity when the demand is not there, has resulted in a price situation which impairs profits. There exists the prime necessity of the individual manufacturer to sell his share of the total demand at a profit, whether it equals 50 per cent or 75 per cent of his production."

That something needs to be done in the steel industry was emphasized in the recent address by Charles M. Schwab, newly elected president of the American Iron and Steel Institute. "The next development in the steel industry," he said, "would be in the direction of more economic and profitable marketing of its product."

Radio Hits Others' Profits

THIS country is upon a permanent basis of mass production and mass consumption. Living standards are high. That they should seriously recede is unthinkable because that would mean a catastrophe for the country's industrial structure. Rather, living standards are constantly rising and will continue to do so, as inventive genius continues to contrive new means of multiplying comforts and conveniences. But the competition between similar articles and between different industries is so great that new things which now have most chance of success represent some fundamental improvement in the art. For instance, when the radios swept the country the phonograph business withered. All the sales pressure and advertising genius in the world would not have served to hold the old business where it had been. Faced with a definite necessity, tremendous improvements were made in the art of phonographic reproductions and the business came back. This goes to prove that many markets remain to be exploited and that a product which really offers something for which an actual need exists will have no great difficulty in finding a consumptive outlet. By the same token, the producer who can find a way to increase his productive efficiency by more efficient measures will have the jump upon his competitors. But, more than ever before, there is need now for careful procedure upon the basis of careful study of facts.

Again the New Competition

THERE are so many competitors crowding most lines, due to the ease of money and the facility of raising capital to go into business, and there are so many products offered for sale because of large productive capacities, that the producer who adds to his line or who goes into another line ought to make sure that he has some real improvement to offer or that he is opening up a market in which he is not now cramped with competition.

Competition is great not only between companies but between industries. Take the example of music in the home. Only a generation ago the piano was generally the sole instrument in the home. Then, in rapid succession, came the player piano, the phonograph, the radio and, finally, combinations of the last two. Each of these must compete against the other, and all four must compete against the distraction upon the consumer's time with the movies and the automobile. Furniture is suffering from competition with these and with electric refrigeration and other household devices.

In the new era of mass production, the consumer is lord. Industry is geared up in the race for his dollar, for his time, and for his attention.

Mass production, by raising his wages and increasing his income manyfold and at the same time supplying goods in profusion, has put within his reach comforts and conveniences undreamed of in years gone by.

Because of the burden of modern competition and the tremendous cost of keeping up-to-date in equipment, many smaller companies have been forced into consolidations.

Not only are there mergers among producers but also among distributors. Chain stores are an example. Faced with these modern tendencies, the individual business must take every precaution before it gets its neck in the noose of red ink expansion.

The tendency on part of some big companies is now to concentrate merchandising campaigns very largely in the area of most efficient dealer organization. They are not advertising sales pressure where it is not justified. They are investing their advertising dollar where it will most cheaply and directly affect sales. It is estimated that the cost of distribution has been multiplied by three in fifty years and this is in no small part the result of advertising an article in localities where no merchant handles it.

The Product Made to Fit

THE best policy is to build a product that fits into sales requirements and permits profitable marketing. With the aid of advertising, directed through logical channels, the product should be of the kind that develops a market without unprofitable dealer and consumer resistance. In all circumstances, when attempting to increase volume and lower costs, the dealer should be guided by a careful survey and analysis of competitive conditions in his own industry. To this end he should make trade studies of distribution problems and costs and be sure that he has a product for which there is a real potential demand. If he does this, there should be less dwindling of profits and fewer stories of red ink expansion back of the numerical reports of business failures.

If Volume's Over the Profit Line?

A concrete example of a wholesaler who applied Mr. Sherwin's thesis, as told by Lewis H. Bronson to William Boyd Craig

"WE ARE through sending out a 5-ton truck to deliver a carpet tack.

"We will not send a salesman 150 miles for a $15 order.

"As wholesalers we have cut down the variety of merchandise handled until now we have eliminated all but the hardware items. These, with few exceptions, show us a profit.

"In short, we have ceased to worship at the shrine of volume.

"In the future we will not try to sell everybody, everything, everywhere. It can't be done! At least, we found that we couldn't do it profitably.

"We are in business to stay—prepared for the long haul!"

The speaker was Lewis H. Bronson, of Bronson and Townsend, hardware wholesalers of New Haven.

Throughout the country wholesalers and retailers are beginning to wonder if the volume of business done is the true index of success. What others dreamed of, this firm did.

It started several years ago to cut off one-fifth of the manufacturers from whom it bought. It cut down the number of varieties handled by one-third. It clipped off 30 per cent of its sales territory. And, most startling of all, it crossed over one-half of its customers from its books. It did so fearlessly, with eyes open, and looking ahead.

This retrenchment—this decision to make an efficient little business rather than a big business—brought results. This apparently reckless slashing of business resulted in a queer thing, a sort of paradox. It reduced the volume and scope of business done, but it increased the net profits by more than one-third.

Refusing to go after cash orders when you know they are there is heresy to this age which puts such emphasis on super-selling. Mr. Bronson's company came to the absurdly simple conclusion

that it was better to let his competitors have the unprofitable business.

I asked Mr. Bronson if he wouldn't explain some of his business philosophy to the readers of NATION'S BUSINESS. Any man who turns down orders and makes money by it is worth listening to.

"We are in business to sell hardware efficiently. We have always believed in 'old-line' distribution, that is, manufacturer to wholesaler to retailer. These three links in the distribution chain have a common aim. They all want to make the consumer buy, and then buy again. There is no true profit for any one of the three until a customer makes his second purchase.

"We believe in branded goods, but not merely because they are branded. Efficient merchandising, of course, means getting an article into the consumer's hands cheaply and easily, but with no sacrifice in quality. We believe that a hardware store should be a hardware store. They are our natural customers. Too many are a little of this and that and something else. We have quit selling to retailers in other lines who introduce only one or two hardware items, thus competing with our best customers.

"No sale for us is a good one unless is keeps the cost of distribution down. We can't make a carpenter use two saws where he had one before.



PHOTO © EWING GALLOWAY

There are a hundred thousand general stores in the country like this. Each is a problem to several wholesalers. Many jobbers are carrying such accounts at a loss in order to keep competitors from making possible profits

How Good Is This "Mass" Idea?

"THE idea that mass production keeps the unit down is true. The idea that mass action—doing things in a big way—is invariably good, is not always so true. Mass distribution adds to the consumer's price as the selling gets more forced and more expensive. He has to pay the price of 'being sold,' and he can't do it past a certain point. Too few men in business realize that the cost of production is only a very small item in the retail price of mass merchandising. Maybe Henry Ford has done business a lot of harm by selling his idea of large-scale operation so successfully.

"Only recently has the plainly marked price been universal among retailers. The twentieth century, generally speaking, brought a close to the idea that every retail transaction should be a bargaining process. A retailer offers John Smith and me the same suit for the same price. Wholesalers haven't come to do this on a very large scale. We have, because we found that it paid, once our customers understood it, to offer a keg of nails to all at the same price. They are quite sure that none of their competitors are getting price concessions from us. This works an occasional hardship when a competitor cuts a price, but we remind our customers that a house that features 'leaders' will make up that absence of gain by boosting the price on something else. No man can buy bargains always any more than he can always get something for nothing.

We Take a Three Per Cent Profit

"WE TELL our regular customers what it costs us to do business. We tell them we are in business to make money. We will give them the complete cost figures for, let us say, twelve lawnmowers. We tell them that we think 3 per cent is a fair profit for us. They are, of course, at liberty to compare these figures with any other data they get from other houses. No other firm or group of firms can offer them better prices consistently.

"If they will go along with us on this basis and give us their business over some time, we tell them that we believe that the loyalty to our house should have a financial return as long as that loyalty is kept working for our company. Our invested capital pays us when it works for us. Customers' loyalty pays them when it works to our advantage. We are paying regular dividends to many of our customers.

"By considering our business a laboratory, we found that we could make our cost figures mean something. For instance, we sell to a certain group of merchants in a certain territory. We found that, to appraise it best, we should look at it with the eyes of a buyer rather than of a seller. Our sales cost money. In a literal sense, we buy them. It is easier somehow for a buyer to think of costs than it is for a seller."

Two anecdotes they tell about this house seem to me to say a lot.

Some years ago a Springfield man decided to start a hardware store with his savings of $2,000. He stopped in to buy his complete stock from this company. They told him that they were glad to get the order. Initial orders of the type are "plums" to any wholesale house. They asked the buyer why he chose them. The prospective customer replied that they had a reputation for honesty. They thanked him by saying that they liked kind words as well as anybody. The wholesaler went on to say that they would probably show him that they were honest. He was asked to describe his set-up, what he expected it to cost him to do business, etc. When the figures were completed the firm refused the order. He protested that it was cash, that there was nothing to lose. The company's reply was that under his plan the buyer had something to lose, and that, even though the order was a big one, they would not start a man on the road to bankruptcy. This man then made his purchase from a rival. Eight months later he failed.

$90,000 for a Principle

ALSO I heard a story about a stand this company had taken during a recent New England building boom. Nails were selling in Boston for $6.50 a keg, but Mr. Bronson's company continued to sell them for $4.50 a keg, which included their profit. By refusing to raise the price $2.00 the firm failed to realize a possible net profit of nearly $90,000 in six months. I had heard of men who refused to cut their prices, but seldom had I known of anyone who refused to raise his price when others were doing it.

So I asked Mr. Bronson if this method of doing business satisfied him.

"Oh, yes; it does," he said, "it pays in the long run.

"The next year there was a sharp slump. Everyone cried, 'What's the matter with New England? and our competitors dipped in the red ink. We had one of our best years."

Business Looks

Blending the Artistic and

by GEORGE

President, Harris and Ewing,



A universal appeal is in this setting, designed to sell more dates. Indirect selling, surely, yet it arrests the reader's attention

PHOTO, LEFT, BY CARL KLEIN, FOR DROMEDARY DATES, COURTESY OF THE HILLS BROS. CO. AND BARTON, DURSTINE AND OSBORN, INC. OTHERS, U. & U.

PHOTOGRAPHY has definitely passed the "seeing the birdie" stage of development which characterized its flowing locks and windsor tie period. It has grown up and, incidentally, become a multi-million-dollar business with much of the methods and outlook of business. The picture-takers of the country are not, as was once the case, merely waiting around to take orders when they should chance to come in and listening to the clink of the cash register if it should have rare occasion to indulge in that pleasing exercise. They have their eyes trained, in a sharp and painstaking scrutiny, on markets, more markets, new markets, expanded old ones. In a word, they are out after business, hunting for it and getting it.

This transformation is not all the product of an age of sophistication when even babes scarce out of arm refuse scornfully to credit the old-time "bordie" myth with which early disciples of Daguerre entertained, and "shot" our fathers—at ages much nearer maturity. For one thing, the spirit of science and organization has forced its way into the field of photography and made of it a business enterprise, as science and organization and their demands have a sly way of doing rather often in commerce and industry. Business likewise, when it came to the photographer for photographs it needed, demanded business methods if it was to depend in its affairs upon the camera. And other and powerful elements have entered into the photographic picture, as will appear.

In this quest for new markets for photographs, the most outstanding development is the creation of a service which will enable commercial users of photographs readily to have them taken anywhere at short notice. Heretofore, it was almost out of the question, for example, for a New York construction firm to get progress photographs of a job under way at Fort Wayne, Indiana. This has undoubtedly been the greatest obstacle in the path of what has, even so, been the phenomenal development of commercial photography.

Now, under the impetus of a $2,000,000 cooperative association advertising campaign which the industry is carrying on, plans to make this sort of thing thoroughly and easily practicable are being worked out. Commercial photographers are organizing a photographers' international service bureau (for Canada is included as well as the United States). This service, just authorized by the directors of the Photographers' Association of America, is expected to do for commercial photography what the "telegraphing of flowers" and its $7,000,000 annual business has done for floriculture.

One of the first projects undertaken in this new-business movement, for that is what it is on an international scale, is the publication of a directory of reliable commercial photographers in all parts of the two countries. It is also proposed to develop and enforce definite standards of work so that, within the very short time possible under modern communi-



The classic lines of the silk drapes—and of the modern Venus—are calculated to catch and draw attention to fine underwear



A bit of breakfast while reclining. Suggestive of ease and luxury, this picture was made to illustrate an advertisement for coffee

to the Camera

the Realistic to sell goods

HARRIS

Photographers, Washington

cation conditions, a Philadelphia photographer can have pictures taken in Los Angeles to meet a local customer's needs. Under the old order of things, it is doubtful if either his customer or he himself could have got the name of a Los Angeles studio without the expenditure of an impossible amount of time and effort.

The new plan is a direct and interesting outgrowth of the national advertising campaign the industry is carrying on. The idea of this exchange of orders was brought before the association's membership through a special business-building bulletin issued as a monthly feature of the advertising campaign. It took hold at once with tremendous force. Numerous letters urging that the plan be put into effect immediately and asking to be included in it were received. As a result, within three months the directors of the association met and appointed a committee of leading commercial photographers to set up the plan.

It was natural that, in the search for bigger markets, attention should first turn to commercial photography. It is through the ever-widening commercial uses of photographs that the profession has made its chief advance in recent years and seems to have its biggest opportunities at least for the immediate future. So general has the commercial use of the pictures grown to be that it comes with something of surprise to reflect that photographic illustration in advertising, for instance, made its bow only about fifteen years ago. It has practically doubled within the past five years alone.



Here is a model kitchen, pictured complete to show off an electric refrigerator to finest advantage



As old as the world is the spirit in this mother-and-child scene. A glimpse of real sentiment, set up to advertise a vacuum sweeper



Magic fire-light softens this semi-silhouette of a young woman seated on a beautiful rug. The advertiser's interest, of course, is in selling such rugs

In the *Ladies' Home Journal*, for instance, 14 per cent of the major advertisements were illustrated with photographs in the number for July, 1922. In July of this year one in every four of its advertisements was photographic. The camera plays a big part in the selling, advertising and promotion of merchandise of all sorts from apples to zithers. And with studios designing elaborate setups and achieving effects in illustration which a few years ago would have been thought hopelessly impossible, the end is not yet, even in this one phase of the $50,000,000 industry of commercial photography.

Photographs posed with specially trained models are used in large numbers by fashion advertisers. There are a number of studios which specialize in this work. Manufacturers of calendars and similar goods also use quantities of their products.

In civil engineering and construction, photographs are playing an important part. More than 18,000 negatives, for example, were made in the preliminary investigations, tests, research, purchase of real estate and other phases of the building of the Catskill aqueduct for New York City's new water supply.

Thousands of photographs are used for legal purposes and for records of all kinds. Banks, real estate firms, insurance companies, title and trust companies, bond and mortgage houses and the like employ photographs widely in their businesses. They are often introduced as evidence in court cases. News photographs and photographs for magazine illustration are an important part

of the industry. A peep behind the scenes of one of the country's commercial studios is a revelation as to the variety of things photographed and the range of uses which such photographs serve. People—interesting people—figure prominently in them. Girl's legs, girls in lingerie, boys with toys, Santa Claus, bridal party, Lindbergh, Bible class, butcher and ham, man and sheep, man at piano, lady with saw, group and airplane, girl scrubbing, men in B. V. D.'s, Coolidge, football group, man at microphone, girl with cold. Then there are articles of household use and buildings galore, conventions, picnics, bank openings, theatrical folks and so on without number.

Subjects

AND HERE is a general list: Skull, drum, rings and pins, toothpaste, plumbing goods, golf ball, airport, bone, pineapple grove, banner, golf course, orchestra, antique gems, elephants, popcorn machine, dyeing machine, sprayer, fishing reel, clipper, food chopper, compressor, nasal douche, tool kits, flashlight, wringer, frankfurter roaster, tool dies and so on through all the variety of American mechanical contrivances. These and many other things were photographed by this one studio in a couple of weeks.

Now that the airplane and wireless are at the disposal of photographers to transmit important photographs within a few hours or even a few minutes to great distances, the possibilities of expansion in the commercial use of photographs seem unlimited. A half dozen offices for transmitting telephotos are even now in operation. A photograph can be sent in this way across the continent in one hour from the time it is turned over to the transmitting office.

Several important fields for the use of telephotos suggest themselves. Among them may be mentioned: Legal documents, X-ray pictures, latest fashion designs, mechanical drawings, banking papers, sport contests, news photos, textile and similar designs and so on.

Portrait photographers, not to be outdone by their commercial brother-craftsmen, are also on the look-out for new markets. It has been suggested that the order exchange idea being worked out in the commercial fields be adapted also to portrait work. When John lives in Jefferson City or St. Louis and the home folks remain in Prairie Hill, John wants a photograph of mother and dad, and mother and dad want one of him, much more than if John is still under the family roof or living just down the street a door or two. To provide John and the old folks with their photographs, portrait studios are working on a plan to do the business by letter or by wire.

The market for portrait photographs has been considerably restricted for a time, due to the lack of a proper place to keep them after they are taken. Home decorators have banished them from walls and mantels and the ledges of furniture. Piled in drawers and similar catch-alls, the pictures are in the way and finally are crushed and destroyed. Now, facing this new competition of fashion, photographers are looking energetically about for a way to circumvent its dictates. They have under serious consideration a united drive to revive in glorified form the portrait album of the other days. Not the old red plush enormity of the period — was it the blessed '90's?—of marble-topped tables and the sacred parlors. No, no! They will compromise to some extent with fashion. The new album, when it appears (and it is already being marketed in a limited, feel-out way), is to be snappy, up to the minute, in the very latest loose-leaf mode, with covers of hand-tooled leather, vellum and brocaded silk, a thing of lasting beauty and permanent artistic appeal.

Right here the inter-industry battle enters again. Debarred by fashion from walls and table tops, photographers are also discussing the designing of a special cabinet for portraits. Who knows but the newest thing in 1928 furniture may be a radio-phonograph-photograph outfit driving out one more table? Photography is actively engaged in the new competition. It has put its best brains to work devising ways and means for increasing its share of the buying public's dollar. It is investing a $2,000,000 national advertising fund to back up that effort.

It is strengthening association activity in the direction of improved business methods, improved service, improved plant. The energetic search for new markets which it is carrying on is an outgrowth of the spirit of new-business seeking which has in part found expression in the national advertising campaign and which is also a reciprocal part being kindled by it. Another out-



In an art exhibit, this might have been called "Weathering the Storm." The light of the setting sun gives promise of a fair day. The picture was used, appropriately enough, in an advertisement for a banking institution

growth of this spirit is the formation of a copyright bureau by the Photographers' Association of America to give information and assistance in copyrighting the work of members, such as pictures of meetings, local celebrities, events and the like of more than hometown significance. Instructions, forms and so forth are being prepared for use in copyrighting.

Even the school of photography which the association has maintained for several years at Winona Lake, Indiana, is being galvanized into new life and new activity by the advertising campaign. Plans for financing and endowing the school, which last summer had 125 students, are being studied. Expansion of the general course and establishment of an illustrative course are undertaken.

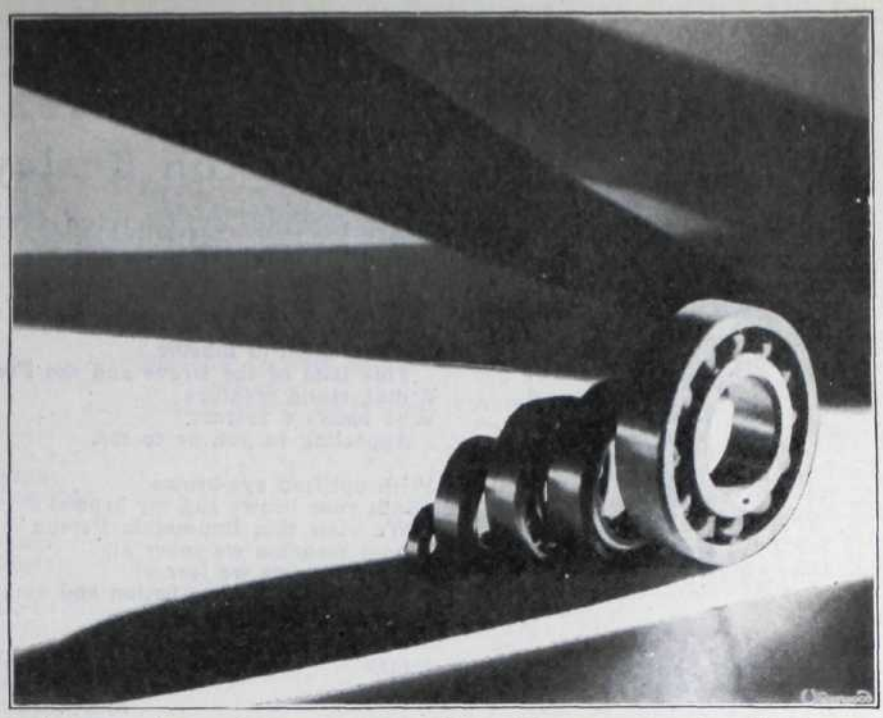
The Battle for Business

THESE things constitute what is one of the most interesting developments in the new competition between industries. It is a development which is perfectly logical and was to have been anticipated. When an entire industry embarked in the battle for business with other industries and launched a cooperative advertising campaign, it was inevitable that it would sooner or later use that campaign definitely and with conscious purpose to raise the standards of operation, business methods and service within its entire group. Precisely that thing is taking place in photography.

It was early seen that the industry could not move forward as a whole at a satisfactory gait unless the individuals in it measurably kept pace. An army, some one—was it Napoleon?—has said, crawls forward on its stomach. The fleeter elements can advance only as the lumbering wagons and waddling trucks bring up supplies of food and other munitions from the rear. The fag-end of the circus parade, while not so spectacular, is just as definitely part of it as the glittering bands and capering clowns at the heels of the marshal's prancing mount. The backward, unprogressive photographer—and what industry has not his counterpart?—was, it was seen, just as surely part of the photographic picture which the general public caught as were the shining lights, de luxe studios and bright particular stars of the profession. In a sense, like the famous sore thumb, they bulked decidedly larger in the buying public's eye than the leaders of the profession. They were the active causes of buyer resistance, the obstacle to added sales, the barrier to new markets.



"A day in the galleries?" No, it's a clothing advertisement!



Modern art is here applied to a prosaic product. The treatment makes roller bearings arresting and interesting

What to do? The answer was easy. Lift the whole profession to higher standards. By their own "boot straps?" Perhaps not in that way, but the advertising campaign offered the medium with which to accomplish this. And it is being used for that purpose.

Sales efficiency is naturally much in mind in this movement. Accordingly, a special bulletin was created to carry to photographers everywhere suggestions for effective selling and active merchandising. Sales campaigns are outlined for them. Local advertising programs are suggested—for newspapers, direct-by-mail, street car cards, inserts and other forms. Ideas for window display and the like are worked out. Sales suggestions and pointers on building business are offered.

Nor is this all. The physical appearance of the studio comes in for its share of attention. So does likewise the customer approach of the studio force. The voice and manner of the clerk are put under the microscope.

Local clubs and state and regional associations are being organized to get the men of the profession together for the discussion of these mutual problems. A speakers' bureau has just been set up to bring to these meetings through recognized leaders in the profession the latest thought and the most advanced methods in it.

Hit-or-miss, price-by-guess methods are going into the discard. This does not mean that there are not still men in the business, just as there are men in other businesses, who look on modern business methods as a lot of new-fangled, costly and unnecessary notions. But it does mean that photographers as a class are looking into the business side of their studios—and looking into it to some purpose.

The chief evidence of this is a movement now under way for working out a cost-finding system specially applicable to it. And when photographers get together for a convention or similar meeting, the talk has to do, not merely with the making of photographs, but with costs of production, selling prices, advertising, applications of business principles, policy and management, system, sales, overhead, fair return on investment and the like.

"See-the-Birdie" Stage Passed

PHOTOGRAPHY has passed from the mere mechanical process of arbitrarily adjusting the patient's neck and ears to what appears the best advantage, giving a gingerly twitch or two to his coat, hauling an arm into a forced position on some sort of rest, "seeing the birdie" and pressing a bulb. It is today a business—the business of taking pictures; the business of making pictures, planning and creating definite effects and producing definite results for definite purposes; and more, the business of creating ideas and selling them—actively seeking out new markets in competition with the other industries of the land.

Babbitt Ballads

by Berton Braley

Illustrated by Charles Dunn



Prologue

Folks, gaze on the Babbitt
Who's known to inhabit
 This land of the Brave and the Free;
A dull, stolid creature
Who hasn't a feature
 Appealing to you or to me.

With uplifted eye-brows
(Both your brows and my brows)
 We view this Impossible Person
Whose manners we sneer at,
Whose customs we jeer at
 —And use to write fiction and verse on.



Henry J. Babbitt was known as a votary
Loyal and true to the shrine of the Rotary;

Given to slogans on Service, and platitudes
Nobly depicting the Right Business Attitudes.

Henry was "Hail fellow, Glad-to-have-met-you-all"
Wore a broad smile which was almost perpetual.

Henry, in fact, if you wish to be critical,
Was, beyond question, extremely Babbittical!

One day he went to a Tea Intellectual
Where he was made to feel quite ineffectual,

Where he was lectured by ever so swell a gent,
Told that his ways were by no means intelligent.

Told that the things he admired were all terrible,
Books he was fond of were simply unbearable.

All his endeavors were sordid, material,
Lacking the aims that were high and ethereal.

Henry went home to his wife and his family
Troubled in spirit, his brow oozing clammily.

Henry resigned from Kiwanis and Rotary,
Henry became of the arts quite a votary.

Read Henry Mencken instead of Bruce Barton's stuff,
Tried Aldous Huxley in place of Abe Martin's stuff.

Soon by a system of study intense he a-
Quired quite a vogue with the Intelligentsia.

What did it get him? His business went glimmering;
All the gay wits that about him were shimmering

Knew how to borrow but not how to lend a man,
How to "de-bunk" but not how to befriend a man;

How to knock business—to yammer and shout of it,
But not how to make any dividends out of it.

Henry went back to his slogans and platitudes,
Joined his old friends and regained his old attitudes.

Borrowed from Babbitts, crass, sordid, material,
Cash, oof and jack that was far from ethereal.

Henry J. Babbitt is now on his feet again,
Henry J.'s family motor and eat again.

Moral—which may not appeal to the critical—
If you're a Babbitt, go on—be Babbittical!

Bill Babbitt is a hustler,
 A regular go-getter,
And when he's caught the thing he sought
 He goes for something better!

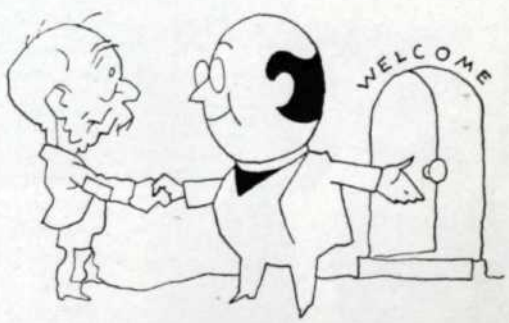
So when he's wanting money
 He does his best to make it
(He makes no bluff to hate the stuff
 While being glad to take it).

Of course more cultured people
 Look down on the go-getter,
But just the same Bill has no shame;
 You see, he knows no better.

Though this is crass and vulgar,
 Bill plays his hand and bets it;
He frankly eyes his wanted prize
 And simply goes and gets it.

Is anything he gets worth while
 To pay for his expended vim?
Well, William wears a pleasant smile—
 I guess it's all worth while to him!

And who are you or I, to say
His way is not the proper way?



The Reverend Elmer Babbitt is a preacher
 Who preaches Babbitt sermons every week;
He wears the outward semblance of a creature
 Whom Sinclair Lewis points at with a shriek.

The Reverend Elmer Babbitt is, however,
 A very decent citizen and friend,
Who follows his particular endeavor
 With charity and conscience—to the end.

His manner may make certain people chortle,
 His words may be a subject for a jest,
But in duty toward his troubled fellow-mortal
 The Reverend Elmer Babbitt stands the test.



Arthur B. Babbitt used standardized things,
Standardized motors with standardized springs,

Standardized razors and standardized shoes,
Standardized typewriters, papers and glues.

"Why should I trouble," said Arthur B. Babbitt,
"Trying to alter my standardized habit?

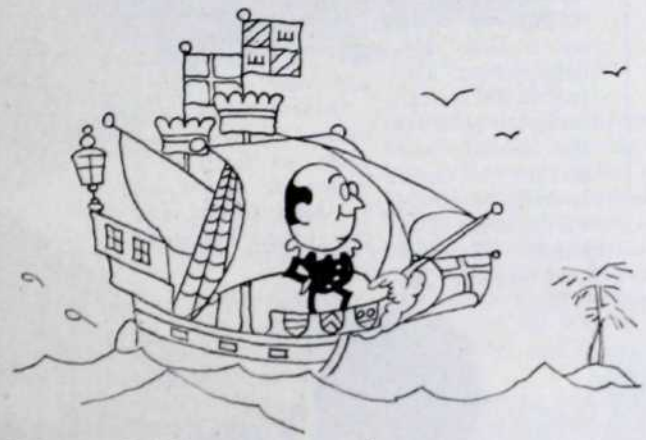
"Why should I seek or endeavor to kid you all
Trying to be—er—distinct, individual?

"Eating and sleeping and breathing are all
Standardized needs of the great and the small,

"So I use standardized stuff on the whole,
Letting no worriment trouble my soul.

"Even unstandardized people must find
Some kind of standard, they can't go it blind.

"Peace to their standards, whatever they be,
Standardized standards do nicely for ME."



Columbus Babbitt goes east and west
And north and south as well,
Traveling over the world with zest
To sell what he has to sell.

Columbus goes to the deserts sere
Or the heart of the primal woods
To the crowded town, to the raw frontier,
Selling a bill of goods.

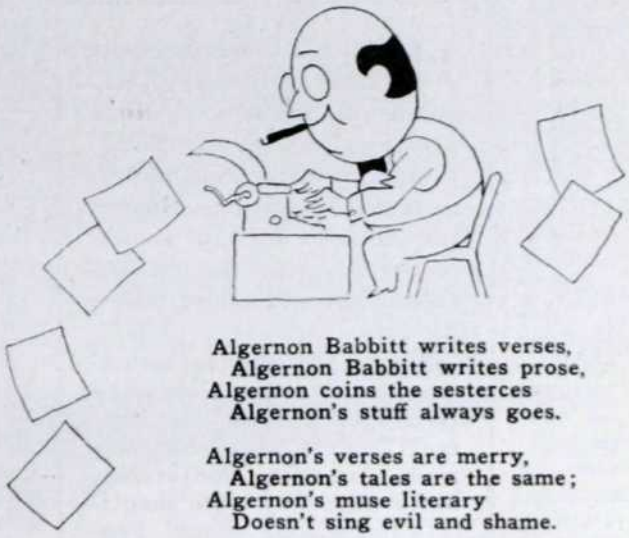
Seeking a profit, Columbus goes
To the uttermost ends of earth
In the tropic heat and the Arctic's snows
To give you "your money's worth."

Merely a Babbitt who hits the trail
Where the highest price is bid,
Opening markets with "goods for sale"—
As the other Columbus did!

Dr. David Babbitt is a man of steady habit,
A rather prosy fellow, all in all.
With manner hale and hearty, he's a most bromidic party,
But—he never fails a patient on a call.

He's a washout as a chinner at a luncheon or a dinner,
And his jokes are very wearisome and trite,
For his tongue is lacking quickness, but in times of pain and sickness
He's a Doctor—at your service, day or night!

Oh, his talk has little color and he makes a party duller,
He's a Babbitt and a bore beyond a doubt,
But the services he'll render are unflagging, wise and tender—
As a Doctor he is good to have about!



Algernon Babbitt writes verses,
Algernon Babbitt writes prose,
Algernon coins the sesterces
Algernon's stuff always goes.

Algernon's verses are merry,
Algernon's tales are the same;
Algernon's muse literary
Doesn't sing evil and shame.

Therefore the critics cry "cheap stuff
Done just for cash in the bank;
Everyone knows that the deep stuff
Has to be smelly and rank."

Algernon doesn't get tearful,
Algernon doesn't get mad;
Goes right ahead being cheerful,
Claiming that life ain't so bad.

Quitters and whiners and shirkers
Do not thrill Algernon much;
Algernon writes of the workers,
Planners and builders and such.

Hope, not despair, is his habit,
So he is damned from the start;
Algernon Babbitt's a Babbitt—
How can he know about Art?

Epilogue



Babbitts—though we jeer and flout them—
We could never do without them.
Artists all—we would be beggars
Were it not for Butter 'n' Eggers.

For, though Art is very swell, it
Hardly pays unless you sell it.
And the artist—ain't it funny?—
Like the Babbitt, values money.

Also rather likes to grab it
From the much-enduring Babbitt.
Babbitts great and Babbitts small,
Speaking frankly, "Aren't we all?"

The Movies Try Self-Regulation

by ROBERT L. BARNES

Illustrated by I. B. Johnston

HERE'S a story from the movies. Bitterness engendered by certain trade practices was acute. Something had to be done to promote better relations. Should the industry do it, or should it wait until the outcry forced government to take a hand?

Skeptically, the representatives of this great industry got together with the Federal Trade Commission in a trade practice conference. Mark this, they were skeptical—but willing to try. Producer, distributor and exhibitor met and threshed out their grievances. Now ask the motion picture industry if the new cooperation is an idle dream.—*The Editor.*

"MIGHT just as well get down to facts, Mr. Carter. You've been doing business with us for the past four years. You've made money. You now own the best theater in the town and two neighborhood houses besides. And yet you complain because we ask you to buy your pictures in blocks."

William Newton, salesman for Popular Actors Picture Company, had touched a sore spot. John Carter was irate, but said nothing.

"Ever thought why we ask you to buy in blocks?" asked Newton.

"I've not only thought; I know. It's the only way you have of unloading your poor stuff. And why say 'ask'? 'Force' would be more to the point. I can't buy otherwise, unless I'm willing to pay prohibitive prices for single pictures."

"You talk as though we deliberately set out to make poor pictures, Mr. Carter, and you're far from right. If you had only one thousand dollars to spend on redecorating your theater, you'd buy the best stuff you could. With five thousand you could do a much better job. But you haven't the money. Yet you don't expect to get five thousand dollar results from an expenditure of a thousand.

"It's the same way with us. We'd like to make all million dollar pictures. We can't afford it. And you couldn't afford to show them if we did. So here's what we do.

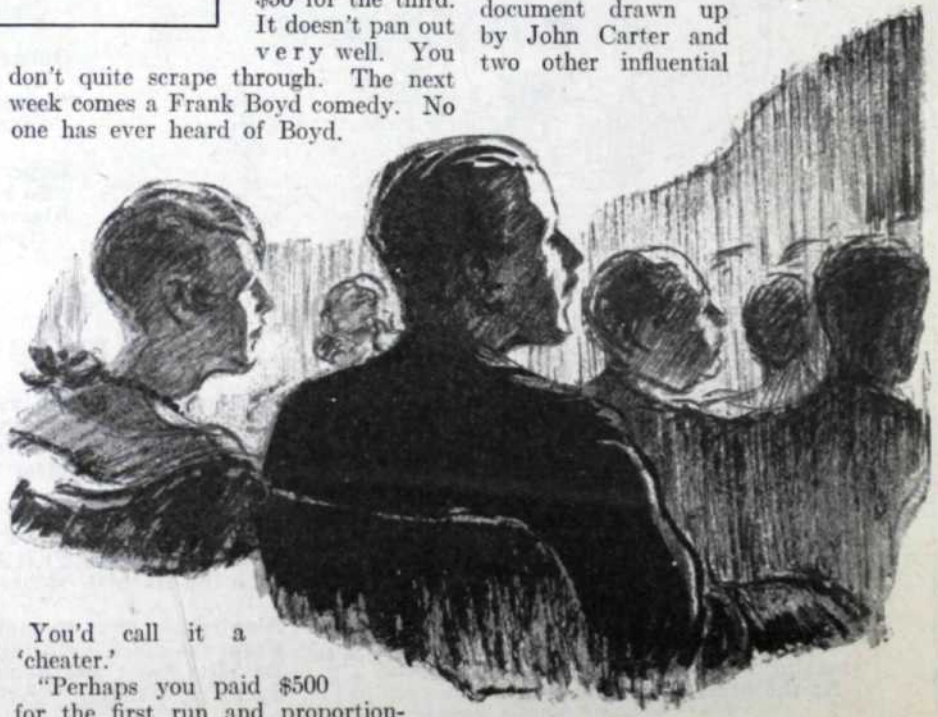
Two Pictures; a Million Each

"OUR FINANCIAL statement tells us that we can spend $11,000,000 on production this year. We budget it out something like this: Two stories on hand will eat up a million apiece; six others will cost about $500,000 each; twelve more will run about $250,000; and there are thirty that will cost about $100,000. And you can bet your life that every cent of that money is going to be spent to the best possible advantage."

"That's all right, Newton, but I've got high-class patrons and I've got to show them high-class pictures. You offer me a block of fifty. Thirty of them are good. The rest—'cheaters'—'unknowns.' Why do I have to take the 'cheaters'? That's what I want to know."

"The big problem in this game, Mr. Carter, is getting people interested. What looks like a sure-fire hit when it goes into production may be a 'flop' when it is released six months later. Or what looks only fair may come through big.

"Say we bring out a Dolly Delight picture. You pay $2,000 for the first run, $500 for the second, and $50 for the third. It doesn't pan out very well. You don't quite scrape through. The next week comes a Frank Boyd comedy. No one has ever heard of Boyd.



You'd call it a 'cheater.'

"Perhaps you paid $500 for the first run and proportionately less for the second and third. It was a 'cheater,' but it took the town by storm. You cleared big money on it. Do you share any of it with us? Of course not!"

John Carter thought it was time to speak. He could see a certain justice in the producer's plea, but he wasn't going to admit it—just yet.

"You do put out a lot of good pictures, but not enough to run fifty-two weeks of the year. And I have to sign up for the good, bad, and indifferent. Of course, I could buy from other companies.

Can't Get First Run Pictures

"BUT TAKE Criterion, for example. They put out good pictures. But they own a theater here, and I can't get first run pictures from them for love or money. I realize that this isn't your fault, Newton. But what's this industry coming to anyway?"

Newton rose to leave.

"Too bad you can't get first run Criterions, Mr. Carter," he said. "But if you were in Criterion's place, what would you do? We all know the advantage of mass production. Chain theaters are mass selling. Think over what I said about block booking. There's some justice in it. I'll be around again soon with next year's pictures, and we'll try to satisfy you."

Several weeks later the local theater owners assembled and heard their grievances set forth in a document drawn up by John Carter and two other influential theater owners. This was sent to the Federal Trade Commission in the hope that it would prove a basis for action



As you sit and enjoy a thrilling scene on the screen, you do not see all the "picture." Back of it all is a complexity of interests—producing, distributing, exhibiting—whose misunderstandings were breeding suspicion and hate, invoking strife and recrimination. The factions got together to set up their own standards of practice, in lieu of inevitable Federal regulation

to end the evils of which they complained.

We will drop the fictitious names now and shift the scene to the Federal Trade Commission in Washington. The Commission received enough such complaints to justify investigation. In the course of working up a case against a certain producer for restraint of trade in the use of block booking, the suggestion was made that the industry might better regulate itself.

Indeed, the Commission has recently been working on the theory that it can best promote better conditions by helping business to regulate itself.

Do the Movies Want Regulation?

M. M. FLANNERY, Director of Trade Practice Conferences for the Federal Trade Commission, is in charge of this work. His first step is to find out whether a majority of an industry want such a conference.

The idea of a conference is one thing; getting it together is another. The motion picture industry presented several difficulties. In the first place there are 20,000 theaters scattered throughout the country exhibiting pictures. It is difficult to get the opinions of these exhibitors. However, after mailing a large number of letters, sounding out the industry's feeling toward a conference and making several trips to consult producers, distributors, and exhibitors, Mr. Flannery and the Commissioners decided that it was the wish of the industry to get together and agree on the rules of the game.

The meeting was held in New York. Forty-three producers, twenty-five distributors and sixty-four exhibitors were there. Producing and distributing branches of the industry were represented 99 per cent. The exhibitors' delegation represented 85 per cent of the seating capacity of the country.

There have been conferences of industries before, but they have always been of some branch of an industry. Here was assembled for the first time a group of men that represented all the various stages from producer to consumer, met to thresh out their difficulties face to face.

The conference met with little hope of reaching an understanding, but anything was better than the hatred and suspicion under which business had been conducted. All groups except the independent exhibitors were compactly organized, partly because they were smaller groups and partly because their interests were more closely bound together. As the conference progressed and the independent exhibitors became acquainted, the harmony of this group grew visibly. It was but another example of what can be done with frank and free discussion face to face.

Commissioner Myers opened the conference.

Another Industry Cleans House

"IN A broader sense," he said, "this is a gathering of the industry for self-regulation in respect to certain practices which have given rise to complaint and which, but for the corrective action here to be taken, might lead to regulation by public authority.

"It is the policy of the Federal Trade Commission to encourage self-government in industry, and to avoid superimposed governmental regulation whenever possible, because it realizes that those who are best acquainted with the peculiar problems of an industry are best equipped to govern it.

"To date, the Commission has held twenty-three successful trade practice conferences which have resulted in the adoption of codes of fair practice in as many industries. The ethical standards so adopted are much better calculated to meet the needs of those industries

than any that could have been prescribed by the Commission without the cooperation of the industries involved.

"Not only have the results been good from the standpoint of meeting the peculiar needs of those industries, but much litigation, annoyance and expense has been saved the industries and the Commission.

Government Has Its Place

"SELF-REGULATION is a relative term, however, and does not mean that an industry may regulate its practice solely in its own interest and without regard to the rights of the public. It is obvious that those who cry loudest against government in business do so with mental reservation, since to take all government out of business would mean to repeal all incorporation laws and to withdraw tariff protection and many other privileges which are purely governmental in character.

"What we mean by self-regulation is voluntary conformity to standards of fair dealing and the law. It is the purpose of the Commission to aid in the reconciliation of business and the law in every proper way.

"Fortunately, the motion picture industry has recognized its peculiar obligation to the public in the suppression of salacious pictures and in many other ways. Far beyond the most of our industries, this industry has shown an aptitude for self-control. The trade organizations in the several branches of the industry, the local film boards of trade, and the arbitration boards all attest your zeal and capacity for what the international statesmen call 'self-determination.' Considering the comparative youth of the industry, its tremendous growth and conflicting interests, these achievements merit admiration, and have mine.

Only a Forum Begun

"THE PURPOSE of this conference is not, as some of my correspondents have supposed, to obtain evidence on which to prosecute persons and corporations engaged in the motion picture industry; it is not to tear down or rebuild the fundamental organization and structure of the industry; it is merely to afford a forum for a full discussion of the practices of the industry.

"You have an opportunity to determine for yourselves what are the unfair and undesirable practices in your industry and to frame suitable resolutions. The presiding Commissioner will be available at all times and will gladly assist in every way possible and, if requested, will express his individual view as to the propriety of any particular resolution, with the reservation that the question must ultimately go to the full Commission.

"I need not remind you that resolutions of this class may often be as effective as resolutions which the Commission undertakes to enforce.

"If they reflect the preponderant sentiment of the industry, they will not be lightly disregarded, for men often have greater dread of the scorn of their associates than they have for the arm of the law."

With this understanding of purpose, the conference got under way. It should be noted that Commissioner Myer's understanding of the problems and the fairness of his rulings helped the meeting to a successful close. Trade journals followed the proceedings closely. A few quotations from them will give an impression of the meetings. The *Film Daily* writes:

"Too much suspicion permeates the conference. Too many exhibitors are concerned with their own situation—more anxious to straighten out their own kinks than the industry's. A broad, understanding, appreciative attitude is essential. Yet it seems too difficult at times to find it."

A despairing cry, that! Yet listen to this vivid account of the proceedings. One feels the tenseness of the situation and the importance of the issues involved in these verbal battles.

Exhibitors Sit on Dynamite

"EXHIBITORS in session. Sitting on dynamite can. Some are impatient. They've traveled great distances. And don't want to be 'hung up' for several weeks. Effort to limit speeches sidetracked. Bing. Resolution committee reports. Exhibitors aroused. Want action. Then comes block booking. And how!

"Night session proved long, interesting and worth while. A brand new department for exhibitor. Out of seeming indecision first day of conference. This develops in exhibitor ranks.

"A realization that a chance for business regeneration has presented itself. An understanding that less wind and more thought must be injected into sessions if out of it all a constructive program is to come. A red letter day in exhibitor history.

"A reversal of many practices in operation today. Distributors will fight tooth and nail. Mark the words. A contest bitter and acrid. Can't be avoided. Flare-ups all along the line. The meeting today will be white hot."

After the smoke had cleared away, what was found to have been accomplished? Those within and those without the industry who followed the conference feel that it accomplished a lot. One man said, "If the conference had done nothing but bring the men together to meet one another and thereby lose that mutual suspicion which has so hampered the industry, it would have been worth while."

But the conference was more than a fraternization. It was a business meeting that did much toward clearing up much misunderstanding in the industry. Most important, it passed a resolution on block booking which represents concessions on all sides and is satisfactory to a majority of all concerned.

The resolution provides that any film that might offend an exhibitor's patrons, on the grounds of race and creed, may be rejected without payment by the exhibitors, but the reasons for the rejections must be sustained before the local board of arbitration. Furthermore, it provides that 10 per cent of the block of films may be rejected on any grounds, but in this case the exhibitor must pay 50 per cent of the allocated price of the rejected films. It also provides that no re-issue shall be included in a block and that no news reels or short subjects shall be included nor shall they be required as a condition of taking a block of feature pictures.

A Permanent Court Set Up

THE CONTRACT between exhibitor and distributor is the heart of the matter. To iron out some other differences on this contract, a committee of six members was appointed. This committee is made up of three independent exhibitors and three representatives of the distributors and producers. If these six men cannot agree, a seventh member is to be chosen by the Chief Justice of the United States Supreme Court. This is to be a continuing committee to deal with difficulties that may arise between the two branches of the industry. The action that this committee may make will be binding on the whole industry.

Thirty Million People in Zoned Cities

THIRTY million people or more than 55 per cent of the urban population of the United States now live in zoned cities, according to a survey recently made public by John M. Gries, chief of the Division of Building and Housing of the Department of Commerce. The thirty million people live in 553 cities, towns or villages scattered throughout the country.

Within the last year the legal position of zoning his been strengthened by the decisions of the United States Supreme Court in four cases, in which the use, height, and area of buildings are regulated.

New York City in 1916 enacted the comprehensive zoning law. However, Boston regulated the height of buildings as early as 1904, while Los Angeles adopted the use of zoning regulations in 1909.

Forty-six states and the District of Columbia have laws which permit municipalities to zone themselves. Of the forty-six states twenty-eight have adopted all or a large part of "A Standard State Zoning Enabling Act" which was issued in 1924 by the Advisory Committee on Zoning of the Department of Commerce. Among the larger cities that have zoning acts are New York, Chicago, Boston, Baltimore, Pittsburgh and Los Angeles.

As the Cartoonist Sees It



San Francisco Examiner

A Shadow Cast Before



New York World

A Surgeon's Task



Chicago Tribune

What Business Asks of Congress



Baltimore Sun

The Big Eats

Radio, a Test of Democracy



"Plants that thrive on the competition of brains"

by RAYMOND C. WILLOUGHBY

Illustrations by Albert T. Reid

Europe's eyes opened at the advancement wireless has made in the United States, the more so because only a minimum of government control exists here

EVERY MAN knows that radio has brought far corners of the world nearer him, but not every man has need of frequent communication with those far corners. Yet those who do and those who don't may take comfort in the knowledge that virtually all countries are parties to a new treaty for assuring an orderly and effective use of the channels of communication. The whole world is now in better case to exchange news. For messages, as well as motor cars, can cause congestion when the highways constructed for their use are not coordinated.

Since 1912 communications from one country to another have been ruled by an agreement made in London. That treaty did not keep pace with progress. The world found itself faced with the certainty of confusion in its communications systems if it did not provide for new discoveries in radio and for its increasing use.

New regulations were needed to meet new conditions, and because of that the International Radiotelegraph Conference was held in Washington. It was readily apparent to the delegates that if the old regulations were not acceptably revised, the failure would result in such disorder of operation that radio service would be greatly impaired.

That these men of intelligence, these representatives of the sovereign nations of the earth, should be able to counsel together and come to useful agreement in common cause is no more than a reasonable expectancy. Certainly the worth and wisdom of their work is revealed in the admirable classification of wave lengths.

But to an American onlooker's way of thinking, the conference made its most significant contribution in deliberations not scheduled on its program. To his mind, the outstanding by-product of the meeting was the recognition of a principle peculiar to America's industrial philosophy. For the first time, delegates from other lands took formal notice of our basic separation of the established functions of government and the appropriate activities of private enterprise. In their recognition is our hope for a wider understanding abroad of a principle which is one of the open secrets of America's prosperity.

Separation of Government and Management

THE introduction of this principle—the separation of government regulation and the regulations of private management—was largely traceable to the desire for a practical method of procedure by which a distinctive national individualism would not prevent international accord. The United States delegation, through Judge Stephen Davis, had proposed that the covenant and the regulations adopted by the conference be divided into three parts—the covenant proper, the government regulations designated as "annex 1," and the managerial regulations designated as "annex 2."

This division would allow the United States and other countries having private radio operation to sign the covenant proper and "annex 1," while leaving to the communications companies the question of accepting the regulations contained in "annex 2"—the group of provisions which affect efficiency of management and details of service. The governments which have government ownership could subscribe to "annex 2."

Not alone did the Americans stand in this advocacy, for the Canadians rose to their support and commended the division.

From the American point of view, this distinction between government regulation and managerial direction is a necessity arising from the fundamental law and the long-established policy of the United States. As Judge Davis pointed out, many of the foreign delegates were present in two capacities. They represented their governments, and they also represented their government-owned communication agencies. Those delegates could at once put into effect any measure or rule agreed on. Their governments would be bound, and their communication bureaus would be bound by any agreement they might make.

In different case were the American delegates. They represented only the Government of the United States and had authority to deal only with questions of government regulation. If they should undertake to make an agreement imposing detailed rules of management upon American operating companies, Judge Davis said, "We

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DIVISION OF GENERAL MOTORS

CADILLAC MOTOR CAR COMPANY

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would be compelled to pass a law about it."

The need for the distinction advocated by the Americans becomes apparent in a consideration of the subjects assigned to the two classifications indicated. In one class were subjects that concern sovereign governments as governments, and not as communication agencies—subjects suitable to the making of a contract between sovereign states. Illustrative of this class are the concern of government to protect the public interest; its concern to see that the public is accorded fair and reasonable treatment; its concern to prevent discrimination among the users of service; its concern to preserve the secrecy of messages; its obligation to provide for the safety of human life, the security of marine and aerial navigation; and the duty of assuring that the channels in which international communications are carried are free from interference and confusion.

Grouped in the second class were subjects related to operating methods and practices, and to economic and technical principles of direct importance to management. For illustration, this segregation included plant and traffic regulation, abbreviations for use in communication, writing and handing in of messages, word count, transmission of telegrams and radio messages, delivery at destination, records, accounts, and similar considerations. The whole question of rates was also included in "annex 2" by reason of the fact that the Government of the United States does not make rates for the public service companies.

Private Enterprise Is Better

APART from its basic differentiation of state and private enterprise, as exemplified in the United States, the American position was predicated on a well-defined national policy of making conditions that will foster the best improvement of the essential services of modern business and economic life—in this case the improvement of our communications facilities. The public interest in applying this policy to radio is revealed in the American declaration that

> if such agreements contain matters of detail not of direct concern to sovereign governments as such, it may readily occur that the advance of the communication art may render such provisions obsolete and unnecessarily restrictive. Unless there is an easy and rapid method for changing such provisions to keep pace with the development in the art and the advance in communication practices, operating managements (either administrative or companies) are compelled to answer the demand for efficient service by disregarding the mandates of an obsolete treaty.

And, certainly, few would contend that the tenure of the stage coach should have been fixed by law, rather than by railroad progress.

Liberal as were the foreign delegations in their appreciation of the American state of mind, their official traditions gave color to their acknowledgments. Through a representative of the British Post Office, government service spoke in the appeal to the United States delegation that "they will do their best to make the reserve chapter or 'annex 2' as small as possible." It was the chief of the Italian delegation who cited a precedent for a similar hope of reduction. This country, he said, had found it possible to adhere to the London agreement with the reservation that it was not party to all the provisions. And while Japan was in agreement in principle with the proposals made by the United States, there was qualification in the "fear that there might be some difficulty in dividing regulations in two classes," and the hope, also, that "the number 2 regulations may be as small as possible." For Germany's part, Herr Arendt said that—

> The proposal made by the delegates of the United States shows a way for securing for future time the collaboration between those who adhere to the Telegraph Convention and those who adhere to the Radio Convention, especially the United States Government—collaboration which we think of great value for future development.

But it was in New York, and not at the center of our government, that the foreign delegates saw the American principle in free and forceful play. As visitors in the operating departments of the Radio Corporation of America and the American Telephone and Telegraph Company, and in the Bell System laboratories, they forgot the precise language of the council chamber and reveled whole-heartedly in the marvels revealed in breath-taking number and variety.

All These Uncanny Things

THERE was more than articulate surprise in the exclamation, "This conference must end soon, for we shall never be able to explain all these uncanny things." There was more than an epigram in the admiring tribute "Governments continue, but private enterprise improves." Who can doubt the genuineness of their wonder at the thought directed to the service of unborn generations, at the ceaseless care to provide the pulsating present with a better way, a better tool?

Before them was spread a convincing object lesson in the benefits of great public services under private management. No less in the abstractions of research than in the practicalities of operation was this visual education presented. On the frontiers of knowledge, the laboratory staff sets off on epochal expeditions into the uncharted realms of magnetism, electronic physics, electro-magnetic radiations, optics, and chemistry.

From these far adventures comes the information for building new apparatus for the electric transmission of intelligence. Patiently delving, science fostered by the Bell System, has advanced the public service by its utilization of



"'When individuals enter upon a foolish project, they pay for it,' said Herbert Hoover, 'but if the Government does the same thing, both the wise and the foolish must pay for it'"



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the ionization manometer, the analysis of crystals by X-rays and the cathode ray oscillograph. Resourceful study, trial and test in the laboratories have given new design or development to the audiphone, the electrical stethoscope, the air-damped condenser transmitter, voice-controlled relays phonograph recorders and reproducers, microphones, and the sheathing of cables—and, perhaps most impressive of all in the popular mind, the wonders of transatlantic telephony and television.

The Nation's Nerve System

ONLY the technician could even suspect the value of those contributions, but the veriest layman is at no loss to comprehend that the telephone is a workaday tool continually improved with new applications of the immutable laws of nature. Nerve-centers of a nation, weavers of the magic web of wires, whatever label of romance is put upon the huge exchange buildings, there is something supernatural in their mechanical precisions. Seventy-three million calls a day! A round and reverberating figure to appraise the time and temper of the American people!

At the switchboards, the truth of the slogan, "the telephone made America a neighborhood," invites ready acceptance. Routine to the operator, there is still a flavor of unreality in the ethereal linking of cities across a continent. So thought the men and women who stood near the New York boards where the highways of the voice begin. Here a tiny light to signal an open line to Los Angeles, 3,273 miles away; there an arresting glow to make a message on the wire to New Orleans, 1,352 miles to the south.

And who would not have shared the awe of an earlier group on hearing the words, "Stand by, New York. We are going to open the windows and see if you can hear the chimes of St. Paul's." Seconds of silence, and then, four silvery strokes of a bell nearly 4,000 miles away. Four o'clock in the afternoon in London. Eleven o'clock in the morning at New York. The evidence is that modern science has opened the windows of the world—that it has flung back the shutters of isolation.

Standing at the heart of America's radio services, the convincing conquest of distance amends the proverb that seeing is believing. Hearing is now the ready advocate of the multiform wonders that have projected the epochal dream of science into the amazing commonplaces of this miraculous age. In the farthest settlement, on the most remote frontier, on the broadest ocean, civilized man is linked with his own kind. Were a modern Antony to beseech his countrymen to "lend me your ears," his voice could capture the attention of all the world.

Convenience and comfort, radio has come to universality by a studious and creative zeal. Portentous specimens of the ingenuities embodied in its growth are the vacuum tube and the high-power alternator, devices that have helped to solve the problem of long-distance transmission. Faster and faster rises the tempo of life with the regular transmission of news pictures, portraits, fashion drawings, finger prints, legal papers, architects' drawings, technical designs, wiring diagrams, and advertisements.

In the twenty-minute transmission of a photograph to London is the promise that some day a typewritten letter or a newspaper page will need only a flash to cross the ocean. Nearer and nearer the engineers are coming to the day when millions of homes will receive sight as well as sound by radio, to the day when the articulate motion picture will no longer astonish.

Trans-oceanic and trans-continental in its operations, the Radio Corporation of America is the focal point of a vast system of world-wide wireless and the center of a great manufacturing industry. No eye could linger over a map of the commercial circuits and not brighten with the intelligence of man's newest dominion of the air. Belfast, Chatham, Marion, Rocky Point, Riverhead, New Brunswick, Tuckerton—names to note generations of the eager transatlantic spark. And who comes to knowledge of the radio beacon and the radio compass that does not feel new security for the men who go down to the sea in ships? Who does not take to himself something of the superhuman in the microphonic projection of his voice to millions?

John Smith Can Grow

HERE is no fruit of bureaucracy; here is no red tape of officialdom to put a penance on patience. Here are no wild flowers of American genius. They are plants that thrive on the competition of brains. To the nurture of our great utilities have come men whose greatness was rooted in other lands. Ever quick to exalt the explorer and the discoverer, America has provided the inspiring opportunity and the ample resource to give free play to the world's best minds. This characteristic concern to promote invention, to find better methods, to contrive new practices and to coordinate the abilities of specialists, is at the base of America's preeminent advances in technology and business administration.

That the Pennsylvania Railroad should establish a Department of New Ideas brings no great surprise to an American, yet the trade mission sponsored by the *London Daily Mail* acknowledged honest wonder at the Western Electric Company's expenditure of a million dollars a year for new equipment.

Under such a reign of bureaucracy—bureaucracy raised to the *n*th power—can the foreign eye envision the political pot boiling? If bureaucracy ousted democracy, could the delegate of another land visualize the great American game of "log-rolling" or picture the spirited raid on the "pork barrel"?—native names to label the swapping of political favors and the exchange of official "courtesies." The location of post offices and other federal buildings may be useful props to local pride, but they are only drops in the bureaucratic bucket. The granting of a railway extension or the routing of a power line is not a benefit to be doled out to a restless constituency.

It is the experience of public ownership that the taxpayer always pays. His burden of higher rates or deficit cannot be shifted. Fresh in mind is the $1,600,000 shortage from the government's venture into railroad operation. And the three billion dollars paid for a wartime fleet is still shrinking into nothingness by depreciation and obsolescence.

Nor is the postal service a more convincing object lesson of government thrift or enterprise. No matter how devoted its management or employes, loyalty cannot obscure the defects inherent in this example of government operation. Whether or not its cost of service is 25 per cent higher than private enterprise would show, it is apparent that it pays no interest, on the vast capital investment in equipment and buildings. Neither does it pay taxes, nor does it reverence business principles in the allocation of rates.

Where inequitable rates and exemptions rule the schedules, it is folly to expect a surplus. Government bookkeeping only raises new columns to be balanced on the taxpayer. It took a British mind to make a virtue of this government deficit in the belief that municipally owned power plants were well managed because they showed no profits.

Discerning wit is in the saying that Americans turn to government for inventories of their wealth, but they do not ask it for inventions. There is more to the question of government ownership than considerations of property and profits. The personnel is vital to the purpose of any project. It is one thing to appoint postmasters. It is quite another thing to select a railroad president.

The Way We Do Things

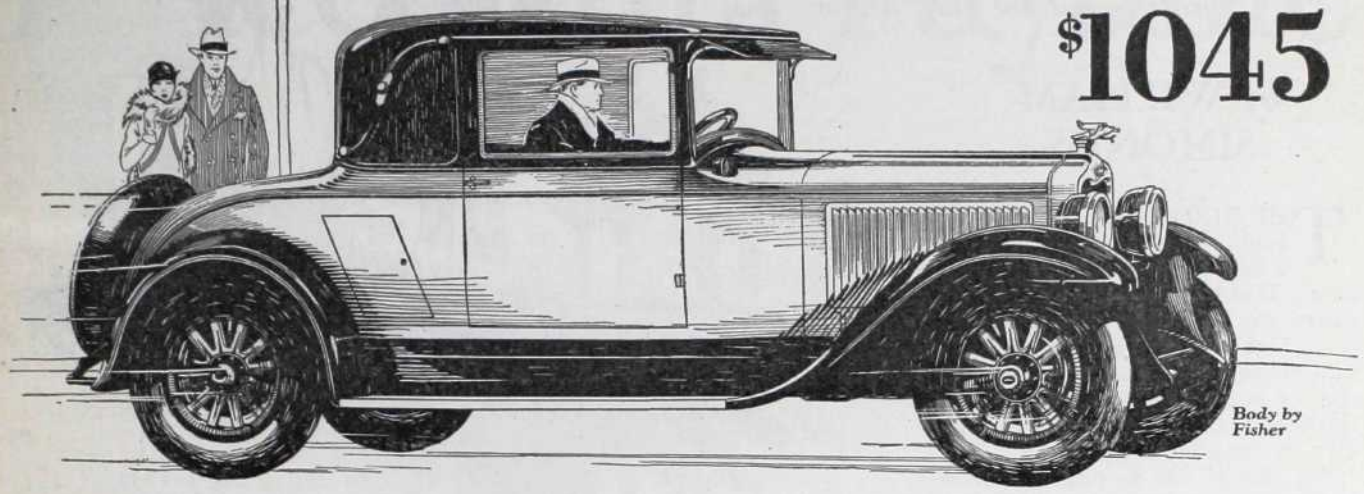
FAMILIAR to Americans, the intangible assets of our civilization have not lacked for eloquent accounting in the Old World. The essence of our national vitality glows brightly in a French statesman's words to his countrymen:

> In the United States, very little repairing, still less conservation is done; but incessant creation, incessant grouping, incessant organization are maintained; confidence is given a larger place than criticism, credit takes precedence over constraint, gain over economy, the active and equalizing democracy supersedes the old hierarchy of social and governing classes.

Whatever measure of that sentiment the delegates may echo in their native lands, they will return home possessed of a personal experience with the practical application of an industrial and political philosophy peculiarly American. That philosophy rates initiative and individualism as prime movers in the nation's progress. In America it has eloquent commendation. It works.

The OAKLAND *All-American Six*

COUPE
$1045



—for those members of your organization who require larger, more luxurious automobiles at the *lowest available price!*

FREQUENTLY business concerns require larger and more luxurious automobiles for certain men in their organizations. These cars must be smart, roomy and smooth in performance; but they must also be economical to own and operate.

When this requirement comes up in your business, call in the nearest Oakland-Pontiac dealer and arrange for a demonstration of the Oakland All-American Six. Here is a car with the styling, the performance and the value that commercial service demands. Here is a car with a reputation firmly established under every American condition and over every American road. Here is a car with all those principles of design responsible for the staunchness of the Pontiac Six which has proved so successful as a salesman's car. And it sells at a price that you will be glad to pay.

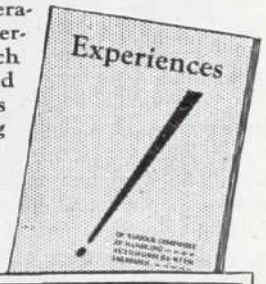
Investigate the All-American Six for your men who need bigger, better cars. You will find that its value has no rival in its field.

OAKLAND MOTOR CAR COMPANY, PONTIAC, MICH.

OAKLAND
PONTIAC
PRODUCTS OF *Sixes* GENERAL MOTORS

There is great interest among the hundreds of executives who have written for copies of the book, "Experiences of Various Companies in Handling Automobiles with Salesmen." First they send for the book and a week or two later they write to tell us how valuable it is . . .

The book includes three general sections: "Who Buys the Car—the Company or the Salesman?"; "How are Operating Expenses Handled?"; and "Developing a Plan of Operation" . . . If you are interested in this book which has created such marked interest or in Oakland's plan for cooperating with fleet users to reduce sales costs, fill in and return the coupon below.



Oakland Motor Car Company, Dept. K,
Pontiac, Michigan
Gentlemen:

Please send me a copy of the book: "Experiences of Various Companies in Handling Automobiles with Salesmen". Tell us more about your fleet user's plan.

(Name).....

(Title).....

Company).....

(City) (State).....

Laying a Wreath for Old Model "T"

Before going on with the new, let's consider what the old "flivver" did

by WILLIAM SIMONDS



A customer who spent nearly five billion dollars deserves a few tears at his passing

"THE KING is dead; long live the king!" Into motordom recently a new prince was born—Henry Ford's Model "A." So far as the industry was concerned, it was simply a case of off with the old shoe and on with the new one. The faithful servant of a few months past was laid away on the shelf. Let this be by way of obituary for the good old Model "T."

Not that it was so very old—nineteen years is not such a long life. But as motor car models go it is quite some time. During its span, two-lungers came and went; Twin Sixes rose and fell; the medium-priced six was restored; a hundred captains and kings departed, and as many more came in.

When this husky youngster first opened its eyes back in October, 1908, the good doctor Henry Ford had already decided a new home was imperative. True, the first announcement of the stork's arrival—an advertisement in a certain well-known weekly magazine October 3, 1908—gave the old address: "266 Piquette Avenue, Detroit." But that was one of the last times this address appeared in print.

At that very time some of the far-seeing spirits were looking ahead to the day when the company could have a new home, large enough for all possible demands; large enough, in fact, to meet the requirements of the most roseate future. North of Detroit in a meadow marked off by shady woods the company had a site, and there the building was to be completed by January or February, 1909, so that the growing child could be moved.

This new home was delayed—as they always are; and it was not until spring that the work finally was finished. Alas, the mansion was already too small. Today this structure is merely "A" building in the Highland Park group. Mention of it is made here because it was one of the first things that the Model "T" bought, paid for, and presented to its makers.

No other child has so swiftly outgrown its habitat. The ten acres of floor space provided by the "Main" building barely equals the parking space required today for the automobiles of the employes at Highland Park. Even after the handsome "Main" building was completed, it was impossible to move out of the old—all the machinery in the latter had to be kept running to keep up with orders. This problem was solved eventually by purchasing enough machinery to outfit the new plant so that it wouldn't be necessary to suspend operations in the old until the actual day of removal.

Those were hectic days. The infant was already a giant. A machine shop 862 by 136 feet, just behind the "Main" building, was rushed to completion; as were a large power house and a three-story office building. All this, mind you, was before the end of the summer of 1909, and hence before Model "T" celebrated its first birthday.

Eighteen years afterward, October 1, 1927, Model "T" could look back over its housing achievements with every reason for pride. The 10 acres at Highland Park had grown to 278. Across Detroit was another home—a plant on the River Rouge covering more than 1,100 acres. From a paltry eleven branches, located in various parts of the United States, the total had reached thirty-six, dotting the land from coast to coast. Branches of associate companies had been established in all parts of the world. Large plants had been built in Canada, England and elsewhere. Many smaller plants devoted to specialized industries had been constructed in and around Detroit.

These, together with the Lincoln plant, the Airport, the Johansson gauge plant, and the other Ford enterprises, were built and paid for—they stand today on the company books free and clear. Such as were designed for automobile manufacturing are now turning out the Model "A." As the son and heir, the latter inherited all these from its progenitor. Truly a wonderful legacy for any automobile to receive! Likewise, a not inconsiderable achievement for an ex-champion to look back upon.

One of the nicest things about this bequest was that all the appurtenances, all the machinery and equipment which this same precocious progenitor devised were included. Model "T" had not been so

HOW few there are to mourn a passing hero! How many of the million or ten million who saw the new Ford gave a thought to the old one? Yet it did more, perhaps, than any other single thing to change the current of American life. And remember that Ford did something no other human ever did. He made 15,000,000 motor vehicles and every one was sold before it was shipped and cash was paid before it was delivered to the dealer.

Let's pay a tribute to Model "T."

Accounts Payable

There is a wide variety of new Burroughs machines to assist in controlling every phase of purchasing activity, whatever your problem may be.

Burroughs machines permit the writing of several related records at one operation, such as:

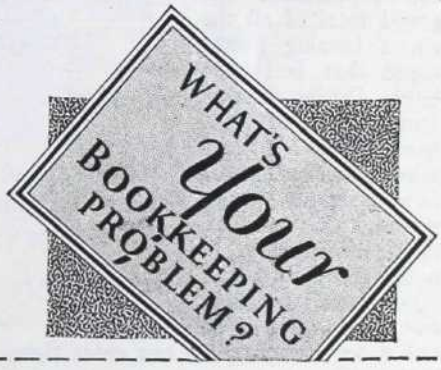
—vendor's ledgers, voucher and invoice registers

—purchase journals, checks and check registers

—due date and in-transit controls.

Only a Burroughs machine can post remittance or vouchers payable records, or purchase journals and *mechanically calculate the cash discount at the same operation.*

Burroughs



BURROUGHS ADDING MACHINE COMPANY, 6151 SECOND BOULEVARD, DETROIT, MICHIGAN

Gentlemen: Please send me more information on the bookkeeping problems I have checked.

Accounts Payable ☐
Ledgers with or without remittance advice—Journal-voucher system instead of ledger—including registration of invoices

Sales Audit ☐
By clerks and departments, cash, charge and C. O. D.

Stock Records ☐
Of quantities—values—or both quantities and values together

Costs ☐
As shown on stores records, payroll and distribution summaries, cost sheets, etc.

Payroll ☐
On cash or check payments

Accounts Receivable ☐
Ledger and statement in combination — ledger and end of month statement—with or without carbon—skeleton or itemized

Distribution ☐
Labor—materials—purchases—sales—expense—cash

Journalizing and General Ledger ☐
Complete typewritten description, or date and amount only

Name_____ Firm_____ Address_____

When writing to Burroughs Adding Machine Company *please mention Nation's Business*

fortunate. During its infancy it had to struggle along with old-fashioned machines until its nurses could get new ones.

Three hundred cars all in a single week taxed the facilities of the entire organization in 1908. When by dint of extreme effort this was increased to 450 and even to 500 cars, great amazement was expressed throughout the United States. Finally machines were evolved which would do the work of three men; then many times three.

As Doctor Henry Ford said in January, 1909:

We have put $250,000 into machinery for this new car, but by its use the output per machine has increased with a proportionate decrease in the labor required. The cylinders, for instance, in the old car traveled 4,000 feet from the time they entered as rough castings, until they reached the assembly room. New machinery for the Model "T" has cut down this travel to 400 feet, and one man does the work of three formerly. There are several operations where one man with the new machinery can do the work of five or six with the old, yet the "old" was new machinery, three years ago.

Speeding Up

THE first year's schedule for this phenomenal child was 25,000 cars. There was need for increased speed in manufacture, since at that time 25,000 represented the grand total of all the cars bearing Ford's name that had been built. During the first four months of 1909, more Model "T" cars were built than during any previous entire season. On April 27 it was necessary to notify the dealers that "there is no use taking any more orders as we under no circumstances can enter them here."

Alfred Reeves, the respected general manager of the National Automobile Chamber of Commerce, visited Detroit in June. He expressed his surprise at finding that Ford had turned out 1,954 cars during that month. He was "expecting to see a whirl of industry but was not prepared for the great work which the organization there is doing."

Along about April, 1913, it was found that the time of putting a motor together could be reduced from 9 hours 54 minutes to 5 hours 56 minutes. Assembly lines, conveyor systems, and all the other processes whereby mass-production scientifically displaced the old "factory system," followed as additional contributions of the Model "T."

But these benefits have not been restricted to the Model "A." All other automobile factories have likewise profited. Most of the new methods were worked out while the first million cars were being built. And whereas it took from 1908 to 1915 to make the first million, it only took from December, 1916, to May, 1927, to build *fourteen million* more.

The present monarch, Model "A," has behind it a cash surplus beyond man's wildest dreams—handed down to it by the erstwhile King. Henry Ford is reputed to be the world's first billionaire, and if such be the extent of his fortune, Model "T" must receive credit for amassing most of it. It was in November, 1908, one month after Model "T's" appearance, that the capitalization was first increased from $100,000 to $2,000,000. Model "T" also



When the first announcement of Model "T" appeared —October 3, 1908—the doctor had already prescribed a new home for the infant

presented to the new car almost untold resources in raw materials. Lumber, coal and iron ore, together with the ships and the railroad line to move them, the mines, lumber mills, blast furnaces and two million-ton capacity bins—these are part of the accumulation which the Model "T" piled up during its brief existence.

But there is still more to be told—the Model "T's" record extends even wider than the Ford Motor Company and the automotive industry itself. Every man who drives his car down the avenue today inherited something from that modest, mild-appearing automobile. For one thing, the left-hand drive.

This was described in the first Model "T" advertisement as being "on the left-hand side—the logical side for American roads."

When Alfred Reeves visited Detroit in June, 1909, he pronounced the most radical of all changes to be the placing of the steering wheel on the left-hand side, "which will be followed by two of the biggest producers next year and a number of smaller ones."

Advantages of Left-Hand Drive

ONE of the big selling arguments advanced by Ford in urging this change from the right-hand side was:

Imagine you are on the curb in front of the house—the right side of the car next to the curb as called for by the city statutes—you step off the curb into the car without climbing over pedals and levers. With the control on the right, you either climbed over or walked around the car to get in the front seat. For a woman this is especially inconvenient—she cannot easily climb over on account of her skirts, and to walk around in the mud is a nuisance.

On the other hand there was something to be said for the right-hand drive. While the seat on the left better enabled the driver to gauge the space to allow for passing another vehicle, it prevented him from seeing the road's edge on the right. In those days this was frequently a disadvantage, as the roads were narrow and dropped away abruptly into ditches, culverts and what-not.

A second bequest was the casting of the cylinders *en bloc;* a third was making the cylinder-head of the motor detachable. These motor improvements are taken for granted today. Yet when the Model "T" pioneered them, it had to overcome many arguments which today seem almost absurd.

The engineers of the company claimed the "removable top" afforded "easy access to all parts of the engine." The hardest objection they had to offset was the charge that it was cheaper to replace one cylinder, in event of cracking, than four. In other words, should one of the Model "T" cylinders crack, the owner would have to get a whole new block; whereas under the old method of casting each cylinder separately, a single cylinder could be replaced when necessary. This was answered thus:

In case you should let your engine freeze and crack the cylinder, you can buy the entire block of 4 cylinders for the very low price of $25.60. This price is less than most factories charge for one cylinder—and that was the only possible objection a man could have against this method of construction.

Of course, the introduction of a cylin-



Thomas A. Edison, Inc., uses Art Metal Equipment throughout its offices. Tests prove it most economical over a period of years. Its beauty is obvious.

For your new office

OFFICE furnishings modern as the next minute! Equipment that fairly breathes good looks—yet on which your first cost will be the last cost because it is steel. Why not have it?

Art Metal is a sound investment. Sound because replacements are never necessary. Sound because ten, twenty years from now it will look as good and serve as well as the day you buy it. And when growth demands additional equipment, you can duplicate your Art Metal.

What do you need? Desks? Art Metal makes them—graceful, comfortable, convenient—of enduring steel. Files? Here are all styles, sizes and capacities for every conceivable purpose. Safes, cabinets, shelving, too. All in the complete Art Metal line. All well designed and handsomely finished in steel.

Standardize on Art Metal. It costs no more than other fine equipment. Write us for illustrated descriptive booklets and prices. The Art Metal Construction Co., Jamestown, N.Y.

Art Metal

Steel Office Equipment · Safes and Files

JAMESTOWN NEW YORK

der-head gasket caused difficulties anew; the public had to be convinced that it could withstand the explosion pressures and at the same time be free of water leaks. A lot of midnight oil was consumed by the engineers in working out a combination of asbestos and copper and eventually producing a gasket which would work. When owners found that they didn't have to lift their motors out of the frame any more in order to grind the valves or clean the carbon, they approved the detachable cylinder-head.

To clinch the argument, the Model "T" engineers pointed out that where each cylinder was cast separately, then welded to its brother, "multiple castings meant added connections for water distribution—added parts for cylinder assembly—and added difficulty in cylinder alignment." It is hard today to imagine getting at an automobile motor from any other direction than the top.

A lesser convenience was a lengthened running-board. On the roadster or runabout this "made the rear-seat easily accessible—no step-ladder or balloon ascensions necessary to get aboard the rumble seat. Lady passengers will appreciate this feature." Yes, they had rumble seats in 1909!

"Gas Lamps, Top and Shield"

POPULARIZING of the top, windshield and head-lamps as equipment instead of additional accessories, was another big bequest left by the Model "T" to the present-day motorist. The roadster in 1909 was described as a "T" roadster with "gas-lamps, top and shield." As for the top of the touring car, it was "strapped in front, neat in appearance, allowing ample entrance-way, and when folded back occupied very little space back of the rear seat."

It was in September, 1910, that the advertising stressed the fact that the Model "T" cars were equipped with top, windshield and head-lamps. Widespread demand brought into popular use these "luxuries," although today one would hardly regard them as anything but necessities. The magneto was made an integral part of the car in 1909; and the Model "T" magneto was such an innovation, that its introduction aroused a storm of attack.

As a bequest it was unique. At that time the modern storage battery was still in the future and a magneto was sold as an extra luxury for about $100. It was so erratic and complicated that the purchaser spent most of his time tinkering with it. The Model "T" magneto was designed to take the grief out of the magneto. The troublesome parts were all stowed away where they couldn't get out of order. The coils were mounted on the engine and thus made immovable; while the magnets were mounted on the flywheel and moved as the engine moved. A demonstration of this device at the New York Auto Show attracted huge crowds, who could not seem to understand why the turning of the flywheel should cause a spark to flash. This trouble-saver was built right into the Model "T"—no longer an accessory but standard equipment—and in spite of many dire predictions, it worked and continues to work.

Such are a few of the imprints made on automobiling by this sturdy child. The introduction of vanadium steel into automobile manufacture, easily traceable to Model "T," was another bit of advanced thinking done in 1908 by Doctor Henry Ford. His battle to establish the value of vanadium in automobile manufacture added another chapter to the progress of the industry.

But many other channels received large gifts from this Detroit youngster. Just as the year 1908 closed, its nurses discovered that its food requirements were something to worry about. They placed what were announced as the largest orders for raw material that had been given, up to that time, in the industry. Materials for 15,000 complete Model "T" cars were ordered, aggregating in excess of seven million dollars. This sum was six times larger than any previous order Ford had ever written.

Included were 1,500,000 castle nuts, costing ten thousand dollars. Some wag wrote: "Just think of $10,000 worth of nuts!" It was unbelievable!

One should not cast aspersions on those good old wonderful days, yet in passing it might be mentioned that, before this creature of metal had run its course, the purchasing department charged with keeping it in supplies had to expend four billion eight hundred million dollars plus, in order to do so. This meant, of course, a lot of business for some person or persons; and quite a bit of employment of labor.

Speaking of the latter, the total paid out to the hired help around the Model "T" home came within thirty millions of reaching two billions of dollars. Quite a good-sized pay-roll for a single car to keep going, representing a cool hundred millions per year for the nineteen years of its existence!

This, however, was but a fraction of the hired help which had to tend this voracious child. All over the world there were salesmen, mechanics, gasoline pumpers, tire patchers and others who toiled on it, and all their earnings have been placed at slightly more than seven billions of dollars.

Eats Up Raw Materials

OF COURSE, the nineteen-year-old prodigy consumed large quantities of gasoline and oil; and wore out huge supplies of tires and cotton. The problem of feeding it and keeping it shod, almost passes computation. The gasoline and oil cost, in round numbers, thirteen and one-half billions, not to mention the wages of the men who produced it and transported it to market. That question of transportation is still another item—figure it out sometime.

The tires which this babe wore out cost four billion eight hundred million; the cotton alone represented twenty thousand carloads. The lead used in the batteries would consume the entire country's production in any recent year. Ten million tons of coal were used to warm the fires while the child was being manufactured; four hundred million board feet of lumber went into its frame; the makers paid more than half a billion dollars in taxes to the Federal Government.

From Alberta to Zanzibar

IN ADDITION to the other things which it accomplished, it carried the name of its builder into every corner of the globe. Today "Ford" is known on the wastes of Siberia and the deserts of Australia.

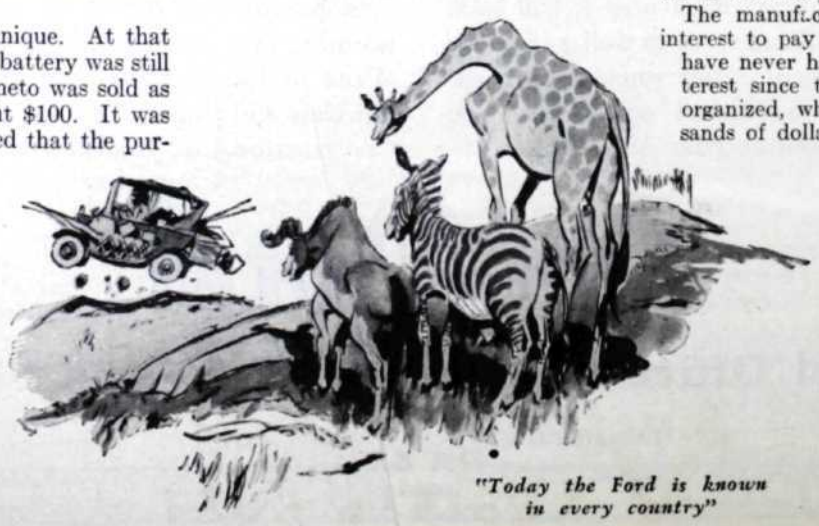
Some of the prescriptions which Doctor Ford wrote then for its future guidance sound almost prophetic today. He was asked in January, 1909, to outline his ideas; and he did so publicly. Among them were the following:

Quantity sales necessitate a smaller profit per car to the manufacturer. When your annual output is 20,000 cars, it is not necessary to make a small fortune on each car in order to pay dividends.

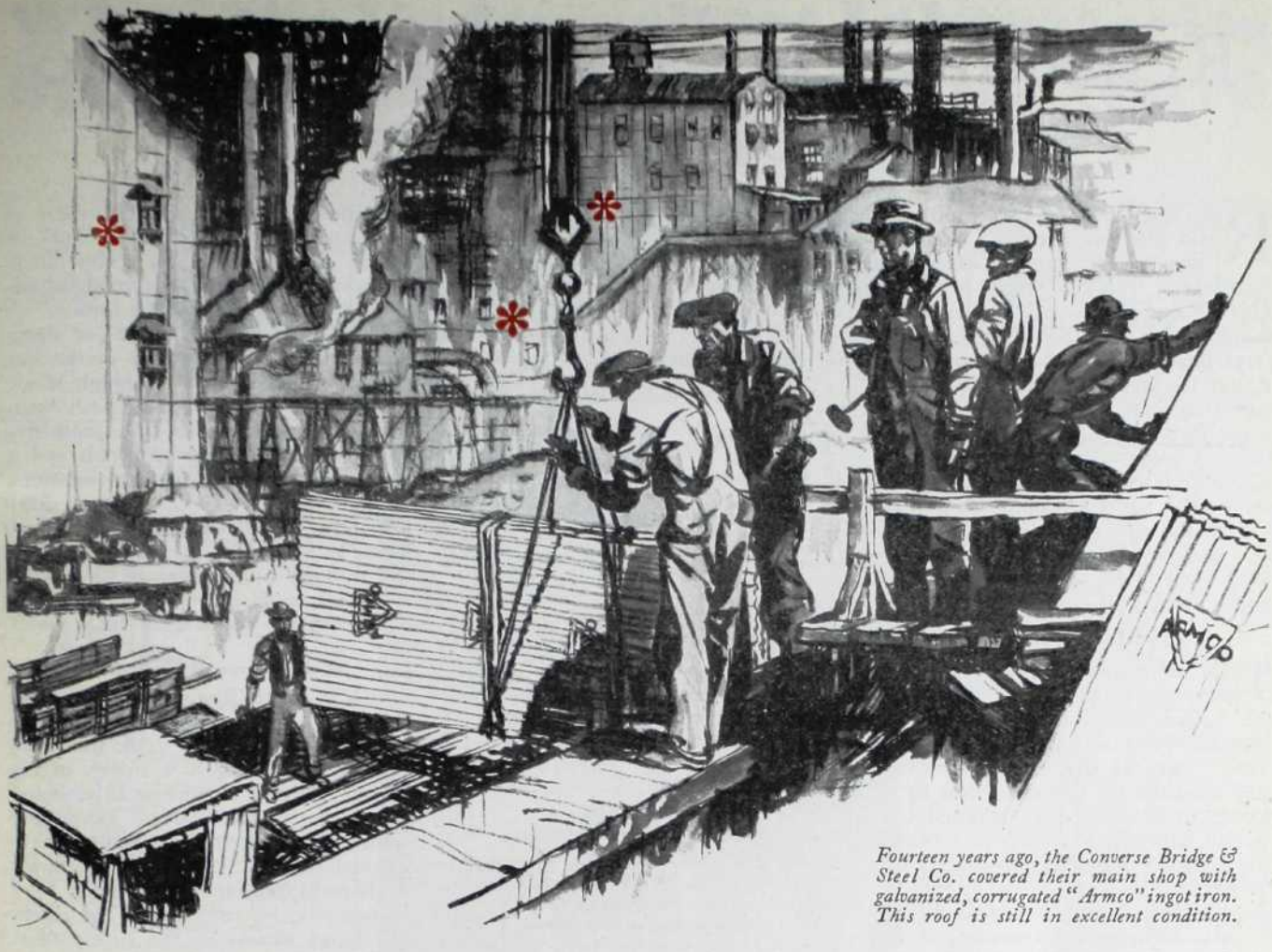
The manufacturer out of debt has no interest to pay on borrowed money. We have never had to pay one cent for interest since the day the company was organized, while we have earned thousands of dollars from the banks on our average daily cash balances.

After all, there is no secret about it. It's all in the system employed.

The material is the best that can be bought; the making and selling force are ample and well paid; nothing is skimped except extravagance, and that is entirely eliminated.



"Today the Ford is known in every country"



Fourteen years ago, the Converse Bridge & Steel Co. covered their main shop with galvanized, corrugated "Armco" ingot iron. This roof is still in excellent condition.

Protecting American Industry From *Rust-Fire**

WHEREVER metal is exposed to weather, moisture or corrosive fumes and gases, rust-fire is at work. And although this fire burns slower than flames, the damage it can do the busy tools of industry is tremendous.

Big business men know this. That is why in many of America's largest industrial plants "Armco" ingot iron is specified for every sheet metal use.

"Armco" ingot iron is unequalled in resisting the attack of rust. It is practically free from the impurities that hasten rust in steels. And no other iron is so pure.

Years of service under the most severe conditions have proved its sturdy endurance. On the roofs and sides of factory buildings and warehouses, in mines, railroad equipment, tanks, stacks and heating systems . . . "Armco" ingot iron is protecting equipment worth millions.

It is cutting overhead and depreciation . . . reducing costly plant tie-ups . . . and saving time and labor costs because it is so ductile and easy to work.

You will save money and annoyance on maintenance if you insist on "Armco" ingot iron for all sheet metal work. Look for the Armco Triangle on every sheet. It is your guarantee of a long-time, low-cost job.

***And in the* HOME . . .** Home owners and builders, too, are saving the cost and annoyance of frequent repairs. They are insisting on galvanized "Armco" ingot iron for gutters, downspouts, flashings, metal lath . . . and other metal parts about a house. Look for the sheet metal shop in your neighborhood that displays the Ingot Iron Sign.



ARMCO
INGOT IRON
RESISTS RUST

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Export—The Armco International Corp.
Cable Address: "Armco—Middletown"

* ***RUST-FIRE!*** *The only difference between rusting and burning is time—both are oxidation. You can feel and see the fire produced by rapid burning. But when metal rusts, the process is too slow to see. Rust is the "ash" of this fire.*

Remaking Our Woodland Empire

by THEODORE M. KNAPPEN

RECOVERY of a lost empire was the problem that confronted a national conference in Chicago in November. The lost empire is about a fifth of the entire area of the United States—more than that of the cultivated farm land of the country—and it lies within the nation's boundaries. It requires no force of arms to retake it; it is not in rebellion. This realm contains the one great eternally renewable natural resource of the nation; it supports one-twelfth of our people; it provides shelter for a majority of them; it is the mother of most of our industries. Yet in the midst of progress and prosperity it lags and languishes.

The State of Forest Land

THE lost empire is our private forest land; and its plight was described at the conference as "the most important question before the American people today." Part of this empire—desolated and sterilized by fire—is as lost to the nation as if it had been annexed by a foreign power, part of it is in a twilight state of sorry regeneration—ragged, neglected, fire-swept woodlands; part of it is courageously staging a comeback; and a part, happily a large part, is still physically sound and intact—abounding in magnificent virgin forests—but economically weak, and in danger of eventual loss. The lost empire has been explored and bemoaned by practical men as well as by the sentimentalist and the academics, the last two groups frequently coming to the conclusion that the solution of the problem is to compel the owners of timber land to grow timber for scenery if they can't for profit.

Not to Be Solved By Debates

THE Chamber of Commerce of the United States has long recognized that the recovery of the lost empire is an economic question that must be answered outside of debating societies by practical private enterprise.

The Chamber hit on the novel—actually, it is novel—idea of calling together the business men who own the woodlands of America outside the public forests, the men who are actually growing timber and utilizing the forests, and get them to suggest remedies.

Long the lectured, the men of the tall timber became at last the lecturers. And they even lectured themselves.

Neither did they evade their share of the responsibility. Without a "but" or an "if" they assumed, "as a civic duty, the leadership in this great national enterprise of perpetuating the forests."

There were more than 300 of them, representing every province of the lost empire, which stretches through about forty of the states. Sitting with them were representatives of the industries that must have wood or perish and a score or more of professional foresters, including Col. W. B. Greeley, the chief forester of the United States. President Lewis E. Pierson of the Chamber, present through a phonograph proxy, declared his confidence that American private enterprise would solve the problem.

Much Progress Already Made

THE National Resources Department of the Chamber, which directed the conference, cheered it with the announcement of the results of a survey of the present state of commercial reforestation in the United States. Nearly 200 commercial companies already have adopted forestry policies. These apply to about 21,000,000 acres of land.

Moreover, virtually all of the extensive forest owners of the Pacific coast and the adjacent states are systematically protecting their forest land—virgin as well as cutover—against fire; and

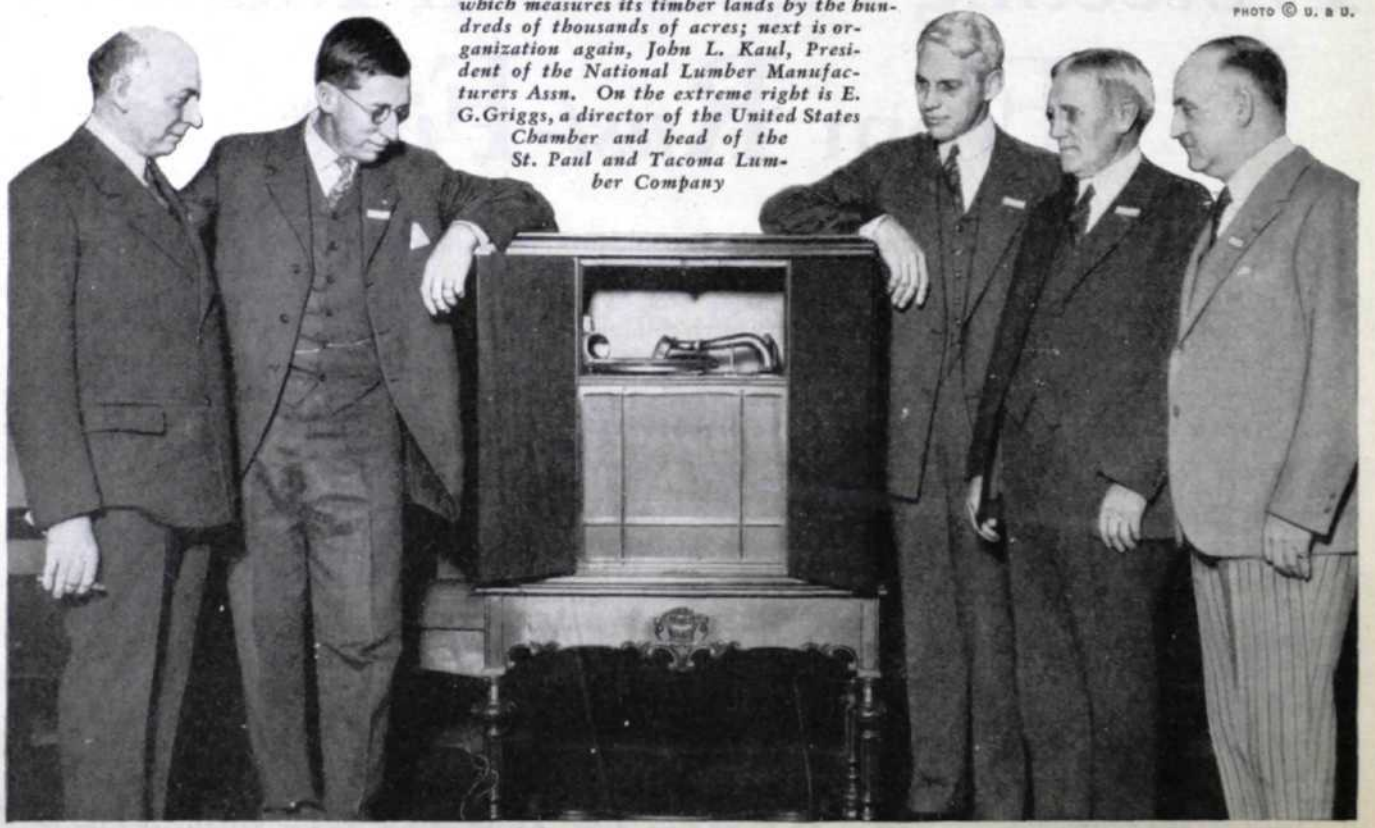
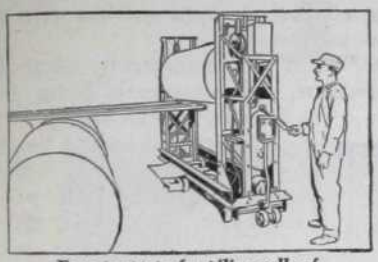


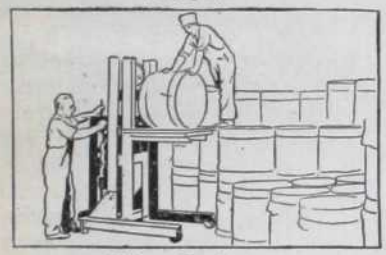
PHOTO © U. & U.

Here's the lumber industry listening to President Pierson of the National Chamber, who is talking via phonograph. On the left, is organization, in the person of D. C. Everest, president of the American Paper & Pulp Association; next, leaning on the machine, is government in industry, the same being W. B. Greeley, Chief Forester; on the right, leaning on the instrument, is E. C. Crossett, who is of Crossett-Watzek-Gates, which measures its timber lands by the hundreds of thousands of acres; next is organization again, John L. Kaul, President of the National Lumber Manufacturers Assn. On the extreme right is E. G. Griggs, a director of the United States Chamber and head of the St. Paul and Tacoma Lumber Company

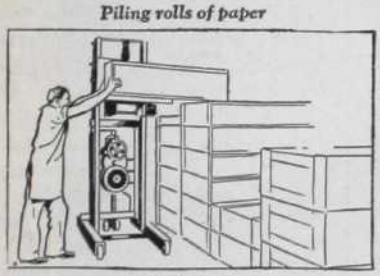
When the Underwriters Laboratories Speak • • the Whole Industrial World Listens



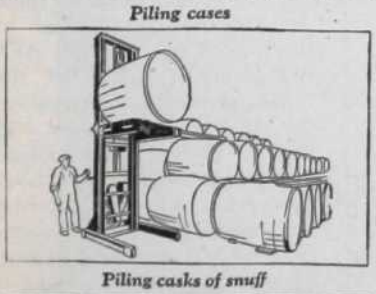
Four-post type for piling rolls of news print



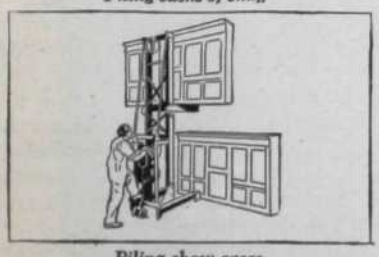
Piling rolls of paper



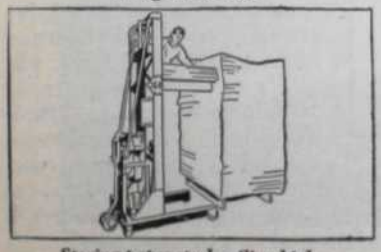
Piling cases



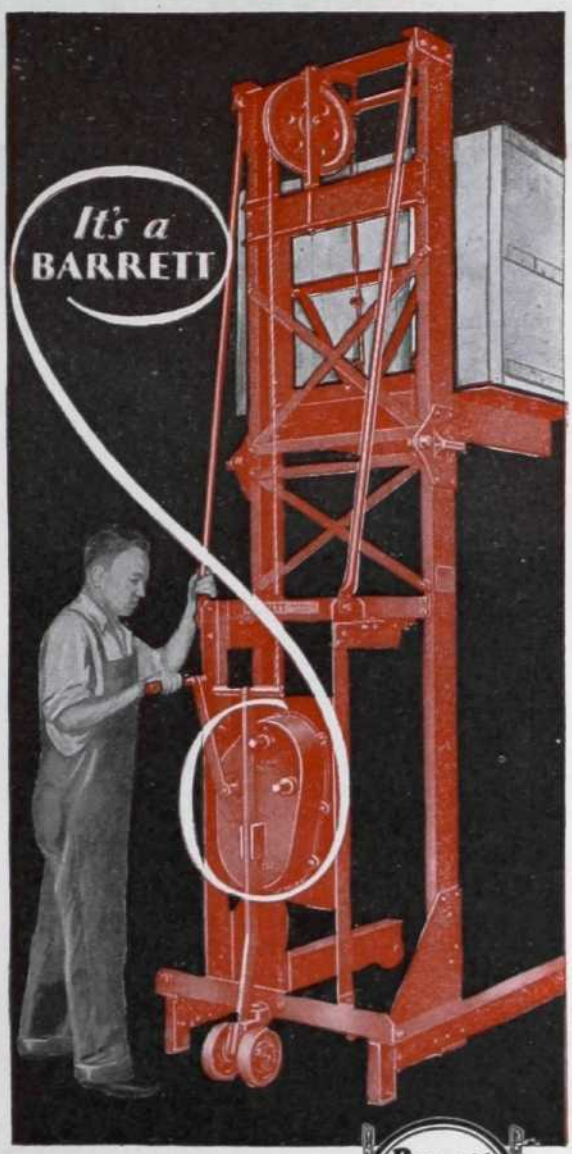
Piling casks of snuff



Piling show cases



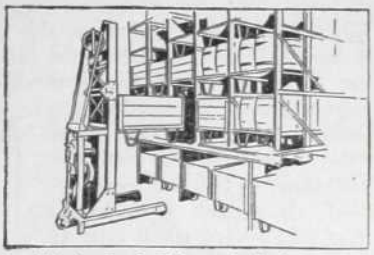
Storing paper stock ceiling high



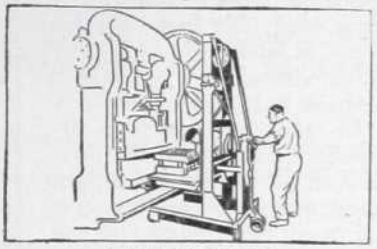
Barrett Handling Equipment

Excerpts from the Underwriters' Report regarding Barrett Portable Elevators: "...tests prove devices capable of great overload...gears totally enclosed and cable drum inaccessible to operator while it is in motion ...positive brakes and governor control gives absolute safety to operator and load...the parts and assembled device are sufficiently strong to withstand the stresses of service far beyond rated capacity...sufficiently durable to withstand the effects of wear, tear and corrosion...the operation is so simple any workman can use the devices."

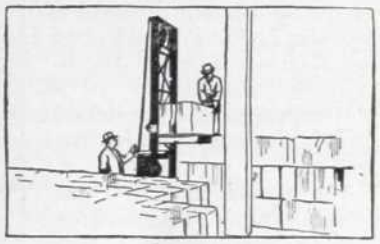
Eleven pages of facts concerning the safety and stability of Barrett Portable Elevators constitute a message of prime importance to any one having a stock handling problem. Send for your copy. There is no obligation.



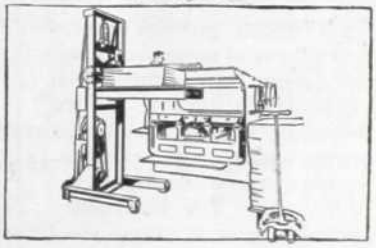
Placing loaded lift-truck platforms in storage rack



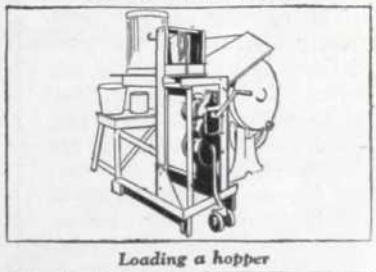
Placing die in press



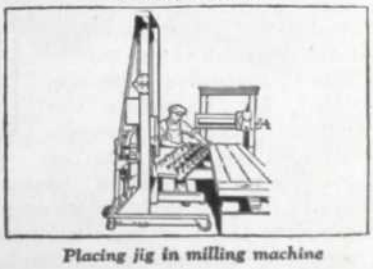
Ice storage



Feeding a printing press



Loading a hopper



Placing jig in milling machine

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so are a large proportion of those of the southern states and of other regions. Such protection has been declared to be 75 per cent of reforestation in the American environment.

Speaking of the menace of the fires, Colonel Greeley touched on a sore spot of national and state policy when he declared that, despite gratifying progress, we had not yet made the United States "safe for forestry." So, last year, the forest lands of the United States were exposed, more or less unprotected, to 91,000 forest fires, which burned over not less than 24,000,000 acres of land. It should be explained that but a very small part of this devastated area included valuable timber. Most of it was land that had been cut over at least once, and, probably, almost all of it had been burned over before. But it is the land that has been denuded that contains the present hope of future forests. And there is no insurance, or virtually none, which fact was surveyed and deplored by an insurance committee headed by John L. Kaul, president of the National Lumber Manufacturers' Association. It is not surprising that the refrain of the meeting was fire, fire, fire.

The period in which the fires must be conquered is none too long. David T. Mason, forest engineer of Portland, Oregon, put the exhaustion of our standing softwood saw-timber at thirty-seven years hence, unless in the meantime reforestation makes great strides to overtake deforestation in its various forms —use, waste, fire, destructive animals, insects, decay and natural dissolution.

The meeting did not seem greatly alarmed at this prediction. It had heard the cry before. E. L. Carpenter, lumber operator and forest owner, of Minneapolis, reminded his audience that in the first decade of the century, Gifford Pinchot and Theodore Roosevelt had sentenced the forests to death within fifteen years. (And now Mason makes it thirty-seven, after twenty years.) Forty-five years ago, indeed, Mr. Carpenter was solemnly warned by forest-wise men not to go into the pine lumbering business, because the days of the pine forests were over. And ever since Mr. Carpenter has been cutting pine and always increasing the scale of his operations. His son is in the business now, and he was sure it would provide a job for his youthful grandchild. Mr. Carpenter was glad to say that he was not administering his forests as in the old days of plentifulness. Selective cutting is now the rule in his Oregon pine forests.

It was no "Woodman-spare-that-tree" meeting. Those who were skeptical of the success of large-scale forestry on private lands and those who were already practicing it agreed that reforestation must pay its way or get off. Sentimental reforestation, it appears, is confined to people who have more ideals than forest land on which to pay taxes, fight fire, insects and fungi; build logging railways, erect mills, pay wages; and then sell lumber and paper in a falling market.

Science holds the solution of the forestry problem, according to D. C. Everest, president of the American Paper and Pulp Association. Research, he asserted, would show the way to complete utilization of the tree and resultant profits. While the timber crop is "as important as any or all agricultural projects," growing on even more land than farmers use, the federal and state governments are spending $20,000,000 a year for agricultural research and less than a million for forestry.

After all, it was remarked by some of the speakers, reforestation is going on as steadily as the talk about it. After two hundred years of cutting the forests of the South, William L. Hall, professional forester, said that they were still yielding half the lumber cut of the United States. Regrown forests are today providing 60 to 70 per cent of the southern lumber output; soon they will make it 100 per cent. A comparable report for Maine was made by Forrest H. Colby.

The South, it seems, as explained by Alex. K. Sessoms, of Cogdell, Georgia, has a thrifty, dual-purpose pine tree that solves its own forestry problem. The longleaf pine pays as it goes and grows. In its infancy it yields rosin and turpentine—naval stores—and finally in its old age gives up good lumber with the ghost. The naval stores pay 6 per cent on the investment, while the trees that produce them are growing into lumber at the rate of $5 an acre a year.

The South hasn't all the timber-growing opportunities. George N. Ostrander, of French, Pruyn & Co., Glens Falls, New York, told how, during the years of lecturing by foresters without forests, his company had been sawing wood and saying nothing—and so arranging its timber growing that it will produce 150 tons of paper a day and yet perpetually maintain its forests as a whole. This was not a long-range prediction, but a statement of a situation that "is so close that we are not worrying."

When the talking was over —and I've named only a few of the talkers—and Chairman E. G. Griggs, of Tacoma, who had contributed a paper on "Getting Down to Brass Tacks in Forestry," made the valedictory, the Conference voted a summing up that the business of growing timber on 470,000,000 acres is as fundamental as growing crops.

Finally, and most significantly, the timbermen squarely confessed their own responsibility and assumed, "as a civic duty, the leadership in this great national enterprise."

QUOTABLE QUOTES
of the Month

THERE IS NO LIMIT to the amount of work to be done in the world, or to the amount of business to be had, or to the amount of wealth that may be created from the resources of nature.

GEORGE E. ROBERTS, *Banker.*

MUCH OF WHAT is called the cost of government in the United States is not at all the cost of governing the country.

REPRESENTATIVE TEMPLE *of Pennsylvania.*

THE GIGANTIC CORPORATE form of business suspected and harassed during the years of its evolution is now accepted as not only useful but as indispensable.

JOHN D. ROCKEFELLER, JR.

OUR DIFFICULTIES AND our evils flow not from our form of government but from our failure to appreciate and utilize, according to its great principles, the government we already have.

SENATOR BORAH *of Idaho.*

THE MAN WHO has accomplished all that he thinks worth while has begun to die.

ERNEST T. TRIGG, *President, John Lucas Paint.*

PUT BUSINESS IN government to the full extent you can, but take government out of business, except where the great heritage of equality of opportunity necessitates its presence.

GOVERNOR RITCHIE *of Maryland.*

COMMERCE AND STATESMANSHIP are regarded in Britain not as rivals but as allies.

P. W. WILSON, *Former Member of Parliament.*

I WOULD CUT out a floating president just as soon as a floating worker from the profit-sharing classification, because I don't think either of them are any good. Neither contributes anything but is interested only in getting something for himself.

OWEN D. YOUNG,
Chairman of the Board, General Electric.

Pipe Smokers . . .

Old Colonel Wellman left a legacy to you!



© LIGGETT & MYERS TOBACCO CO.



'WAY BACK in the early seventies, before most of us were born, a fine old Southern gentleman, Colonel James N. Wellman, was mellowing tobacco, by his own secret method, as tobacco had never been mellowed before!

And today, in Granger Rough Cut you'll find the same full-bodied flavor and the same sweet-as-a-nut richness that was so popular in those good old days.

For Wellman's costly but effective method is Granger's exclusive secret, and its never-to-be-forgotten mellowness is yours to enjoy.

Pack down those shaggy, cool-burning flakes. They're made for pipes only. Light up and take your first long deep breath of its rich aroma. Then you will realize why we say "Old Colonel Wellman left a legacy to you!"

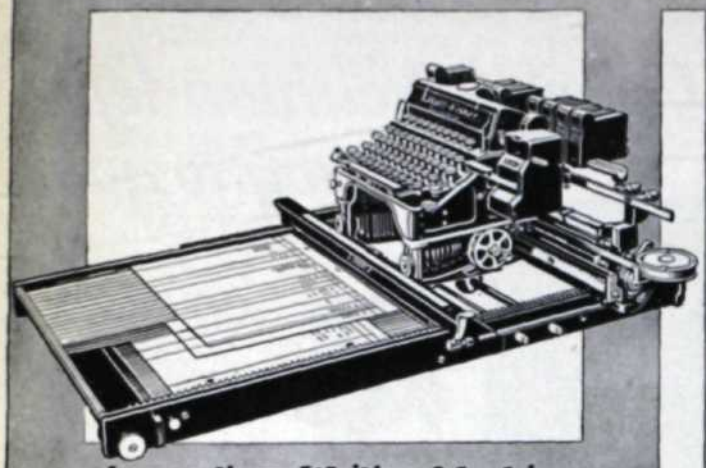


Packed in soft, heavy foil instead of costly tin, a genuine advantage and an economy, too . . . It is a fact that if GRANGER were packed in tins it would cost fifteen cents.

GRANGER ROUGH CUT

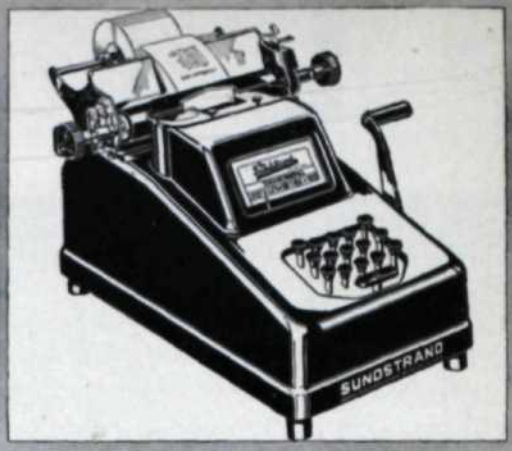
A TOBACCO MADE AND CUT FOR PIPES . . . 10 CENTS

Elliott-Fisher | Sundstrand



Accounting - Writing Machines

Every Elliott-Fisher machine has the famous Flat Writing Surface. This exclusive feature gives it the marvelous manifolding powers and the adaptability which enable it to combine many details into a single operation. Elliott-Fisher accounting is unusually accurate because it is self-checking. Elliott-Fisher is automatic—electrically operated—therefore speedy. Elliott-Fisher will save you money by doing more work and better work.



Adding - Figuring Machines

Every Sundstrand machine has a ten-key keyboard. One hand controls all operations. And you no longer need be satisfied with a machine which simply adds. Sundstrand does direct subtraction by merely touching a key. Touch another key and you are ready for automatic shift multiplication. No faster machine is made. All operations are visible, insuring accuracy. Sundstrand machines are saving money for thousands of companies now. They will do the same for you.

Base Your Decisions

on live information which only *daily* figures can supply

DAILY facts for daily decisions! A complete picture of your business every day—including the operations of the preceding day! Wouldn't you like to guide your business with information as live as that?

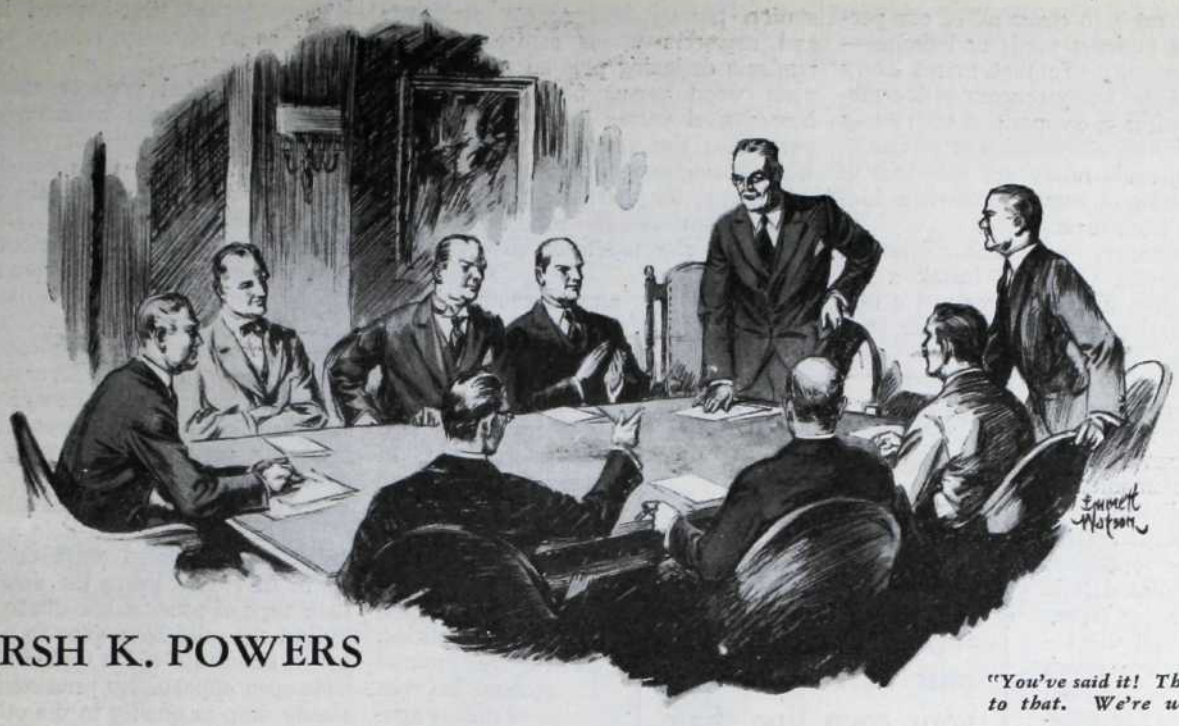
Such a picture is not hard to get—not expensive either. Elliott-Fisher and Sundstrand equipment will supply these daily figure facts without adding a name to your payroll. In fact, accounting overhead will actually go down.

But you will know each day exactly what you owe—and who owes you. You can compare sales, inventory, expenses—all vital operations—day by day, month by month, year by year. You will have a closer control of your business than you have dreamed was possible.

Such close control lets you instantly grasp each opportunity to increase profits—and at the same time makes it easier to avoid sudden losses. We shall be glad to tell you how Elliott-Fisher and Sundstrand can fit into your business if you will write us.

General Office Equipment Corporation

342 MADISON AVENUE ~ NEW YORK CITY



"You've said it! There's sense to that. We're with you!"

by
MARSH K. POWERS

Who *Is* Your Competitor?

ONE NOON last spring in a room of the—well, let's call it the Hotel Van Gorgeous—a group of business executives were seated informally about a table. In a ballroom on the floor above, the closing session of the Annual Convention of the National Association of—shall we say, "Thingamajig"?—Manufacturers was scheduled for two o'clock. Around the table were grouped the leaders and the volume of the industry, the men who were the directing heads of the largest concerns.

Said the dean of the industry: "Boys, I've been listening carefully to all you've been saying and I can't help thinking we're all making a big mistake. There's only so much business for us and it's all deefoolishness letting our selling costs eat up our profits the way we've all been doing. I've been just as guilty as the rest of you—perhaps more so—but I'm ready to quit if you are. What's more, I know one way to start."

"Now, here's what I propose," he continued. "Each of us knows how much he has been spending for advertising and publicity. It's a plenty, no doubt. Yet you know and I know that all the advertising you and I and all the rest of the industry can do won't build a single new plant where we can sell our product. All our advertising money does is pay dividends for magazines and printers. I suggest that we agree to cut our advertising expenditures exactly one-half from now on. I'll do it if the rest of you will stick to it. Let's keep half that money in our own pockets."

The idea is approved with cries of "You've said it"—"There's sense to that"—"We're with you."

In cold, black ink on white paper an idea of that kind loses most of the rosy glamor given it by the voice and smile of a persuasive proposer. When the conventioneers arrived back home, the grand idea of profits increased by an amount exactly equal to "advertising waste" appeared so starkly simple and miraculously automatic that each subscriber to it lost his first enthusiasm and confidence—especially when sober second thought reminded him that it was the solidly entrenched leader in the line who suggested it. So the net result of the "agreement" was nil, just as it usually is—which is fortunate for all concerned, because . . .

When all is said and done, there are mighty few industries in which outside competition is not actually more threatening than internal rivalry.

In the industry in which the foregoing incident occurred the really serious threat to every member's business existence lies in the aggressive policies of the promoters of a substitute commodity—a competition partially concealed by the fact that the outside competition sells a service rather than equipment. Had the industry in question actually followed the suggestion of halving its individual advertising activities, the industry as a whole would have surrendered half its major defense against those threatening onslaughts from without.



A boomerang that may hit home after ricocheting off the heads of the rivals aimed at

Automobiles or Furniture?

THESE are bitterly competitive days. Radio battles the ready-to-wear manufacturer for the next $25, $50 or $100 in John Officeman's purse. Betty Shorthand has a five-dollar bill in her handbag—will it go into lipsticks, rouge, et al., or will it get safely to the bank and go into her vacation fund, ultimately to benefit a railroad or a resort hotel? Will Mother Shorthand serve meat tonight or a dish of spaghetti? Will Steve Toolmaker put money into a new set of tires or will he make a down payment on that dining room suite he and Mrs. T. looked at last Saturday at the Excelsior Furniture Emporium? The budget won't stretch to cover both.

Every one of us knows from first-hand experience the severity of such competition for our personal dollars. We realize the struggle, even when the rivals themselves are unaware of it. Apparently, however, there is some trait in human nature that makes us reluctant to admit how directly and forcefully it applies to our commercial and industrial interests. We are a rich nation but our personal and commercial dollars will

not yet stretch to cover all of our personal and business needs and desires—and never will! To that extent every individual and every concern with something to sell is in competition with every other seller of merchandise or service.

Our salesmen rarely are conscious of certain forms of competition—it is hidden even from them.

For instance, will The Nonesuch Manufacturing Company install a fire alarm system this winter or put a new roof over Department A? Their budget limits them to one or the other—but, if the roofing salesman loses out, he will never know that a commodity so utterly dissimilar as a fire alarm system was the opponent which defeated him. He will never report back, "I lost this order to a fire alarm concern!"—and, even if he did, few sales managers would dare transmit so startling a message to the president or board of directors.

> **"You probably have more reason to be grateful for aggressive, constructive advertising and selling activities on the part of concerns in your own line than you ever have to fear them"**

All of this leads slowly up to the text of this discussion, which is—you probably have more reason to be grateful for aggressive, constructive advertising and selling activities on the part of concerns in your own line than you have to fear them.

They are keeping the good qualities of your kind of merchandise out in the limelight and helping themselves and you and others in your line to get dollars that might otherwise go wholly outside your particular industry. They are selling the idea on which your profits depend—making your type of product appear desirable; keeping the topic alive in your prospects' minds; fighting your battle against all comers.

It is difficult, or impossible, for any concern to make money in a dying industry. Hence, any influence that helps to keep any member of an industry prosperous reacts to the immediate and long-time advantage of every contemporary in that industry. Moreover, if your most direct rivals are healthily busy, they are not very apt to complicate your struggle for profits by price-cutting tactics. Therefore, more power to their promotive efforts!

Intercommodity Competition

WE HAVE spoken of "hidden competition." Now let's turn briefly to the more obvious conflict, the very apparent competition between admitted rivals—wood, cement and steel in the construction field; pressed steel versus castings; mechanical drive versus electrical drive; vitrified brick, concrete and asphalt in the paving field; the various types of material-handling equipment; the private power plant versus central station power; independent architects and engineers versus contractors who render a designing plus an erecting service; wood versus fiber for shipping boxes; steel versus lumber for factory partitions; the various types of industrial flooring and roofing; gas versus oil versus coal for heating. These are but a dozen scattered and random examples of a type of competition that we have always with us.

Bitter as the internal conflict is between the manufacturers of identical or nearly identical products in many of the industries mentioned, it is reasonably safe to assert that in every case the more important competition—more important because it is more critical in the long run—is the external competition. Destructive internal antagonism between makes of similar articles in such instances merely helps the common enemy to better its position.

If I am building a house and the salesman for the Alpha Electric Refrigerator tells me how bad is the Omega Electric Refrigerator and the next day the Omega representative confides in my ear the tragic failure of the Alpha equipment, the City Ice Company is very apt to be the only beneficiary of the interchange.

The responsibilities of sales managers and advertising managers, in any field where external competition bulks large or threatens, are particularly weighty. Missteps in policy can be particularly far-reaching in the damage they wreak. A sales-manager who authorizes or permits destructive comments or inferences against a disliked rival will frequently do his whole industry expensive harm by driving a prospect over to the external competition.

An advertising manager who permits the publication of copy which too loudly asserts that "we are the only trustworthy producers of reliable merchandise in our line," or any comparable statement, throws a boomerang into the air which may ultimately hit him after ricocheting off the heads of the rivals at whom he aimed.

No matter how all-important individual animosities may seem and how tempting the dog-in-the-manger attitude may appear, when there is external competition there is need for internal cooperation.

There is one time-honored industry which, as an industry, refused to admit this truth.

One far-sighted younger executive—not "born into" the industry—labored with his fellow-manufacturers to persuade them to drop their ceaseless underhand sales tactics and their price-cutting purchasing of orders. He urged, instead, that they work together to lift standards of quality which were slipping rapidly because of their sales policies.

Again and again the industry met, listened attentively to his recommendations, discussed them favorably, appointed committees to prepare plans—and then failed to take action. Returning home, they went back each time to their cut-throat methods.

Twelve years ago that was a considerable industry. Today at least a third of its plants are closed down or dismantled. In twelve years the demand for their type of product has climbed steadily but the sales have gone to a higher-priced substitute which cashed in on the wide-open opportunity presented by the steady drop in quality in the other article. An industry wrangled and quarreled itself into oblivion and handed a rich market over to outsiders!

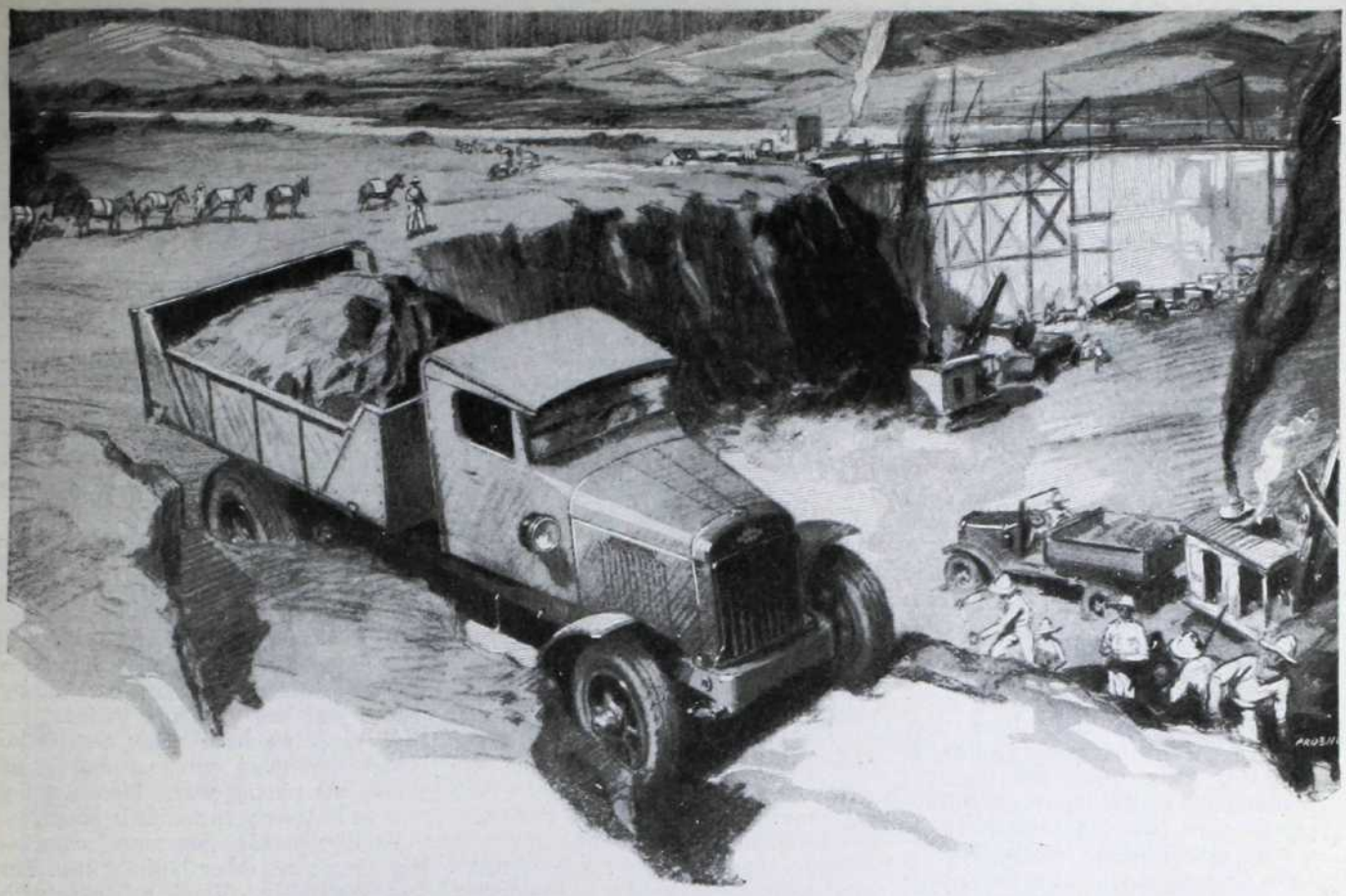
Who Is Your Real Competitor?

DO YOU know your competitor? Not the concern down the street or over in the next county with a name very similar to yours and a product nearly identical but your true competition—that external threat to your continued profits?

Don't answer the question too lightly or hastily. The correct answer may change your whole viewpoint toward the other concerns in your particular line.



Will it go into lipsticks, rouge, et al.—or into her vacation fund, to the benefit of a railroad or resort hotel?



Above: Modern irrigation engineering is transforming great areas to productivity in various sections of Peru.

Below: Cargo of International Trucks being transferred by lighter from the steamer Essequibo to the dock at the port of Pimental. The steamer is touching at this port for the first time, with the largest single delivery of trucks ever made in Peru.

Reclaiming the Desert of Peru

IN the "Olmus Irrigation Project" the government of Peru is promoting the largest piece of public development work ever undertaken in the South American republic. When it is completed, the Olmus Desert, comprising upwards of a million acres, will be made to bloom like the proverbial rose.

Motor Trucks are shouldering a heavy share of the great burden and, as with many another construction project the world around, *the trucks are Internationals.* The Irrigation Commission has chosen to *standardize* on International after trying out many makes of trucks. Fifty-four Internationals—both heavy-duty and speed trucks—have been proving their qualities in many months of the most strenuous hauling.

The matter of service plays its part, too, in the Peruvian preference. International Harvester maintains a world-wide representation that puts trucks on the job speedily, and keeps them there, wherever the job may be. In the United States and Canada 160 Harvester-owned branches serve International owners. If you have a hauling job and want it well handled, let International Trucks and Service work for you.

The International line includes the ¾-ton Special Delivery; 4 and 6-cylinder Speed Trucks, 1¼, 1½ and 2-ton; and Heavy-Duty Trucks, 2½ to 5-ton; Motor Coaches; and McCormick-Deering Industrial Tractors. Folders will be sent on request and the various models may be seen at the nearest display room.

INTERNATIONAL HARVESTER COMPANY
OF AMERICA
606 So. Michigan Ave. (incorporated) Chicago, Ill.

INTERNATIONAL
TRUCKS

HARVESTER COMPANY

The Roll Call on the New Year

(*Continued from page* 19)

out many things they needed. Economy has been practiced with a vengeance. The carry over of stocks in merchants' hands has been less than normal."

The directors whom we have summoned into conference on business prospects include two Lonsdales, John G., president of the National Bank of Commerce at St. Louis, and Charles W., president of the Simonds-Shields-Lonsdale Grain Company of Kansas City.

Both are "middle-of-the-roaders" on coming business. Both point out how much depends on crop results.

"FOR some strange reason," says John G. Lonsdale, "business is either good or bad.

"There seems to be in the public mind no middle ground of prosperity, yet it is that middle-of-the-road kind that characterizes our present position.

"Our prosperity is paradoxical in that large business is pretty generally going good, while smaller units have their problems. This is but a logical phase of the keener competition and narrower profit margin era of industry. The tendency of manufacturers to cooperation on the extent of production should wisely forestall the usual evils of vanishing profit and precipitated price while the caution with which financiers are handling the nation's plethora of money portends so far no unsound inflation. Credits are good and liquidations wholesome."

"I SEE no great prospect for an increase in the volume of general business in this section of the country for 1928," said C. W. Lonsdale, "but in saying that, I don't see any reason for any material break in business conditions.

"I feel that conditions generally in the southwest are on a much more stable basis than they have been for some time. This section lives entirely as the result of the prosperity of the farmer. They have had good crops for the last two years, bringing better than fair prices. All of this section has a good corn crop, not only in quantity but in quality. The farmer is just now commencing to turn that into money, and this should help stabilize business during the coming year of 1928.

Only one publisher answers the roll call. This, Edwin T. Meredith, The Meredith Publications, Des Moines. His, like others', is a cheerful account of the farmers' prospects.

"FARMERS in the Ohio, Mississippi and Missouri river valleys," said he, "are enjoying a prosperous year—a prosperity reflected not only in the purchase of manufactured goods but also in the farmers' own optimism.

"Differing estimates have been made by authorities as to the cash income farmers are receiving this year, but while the estimates have differed, they all agree that the income will be greater than that of 1926.

"While there has been a gradual lowering of non-agricultural prices since 1922 and it is still continuing, agricultural prices are moving upward. The mid-western farmer not only has more cash to spend but also his dollar has a greater purchasing power.

"All in all, the farmer of the corn belt and the wheat belt will be a good buyer during the next several months.

No survey of business could even approach completeness without a word as to lumber. Here's Karl De Laittre, vice-president of the Bovey-DeLaittre Lumber Company of Minneapolis.

"What's the outlook in your country, Mr. DeLaittre?"

"THE northwest is enjoying a recovery period which almost borders on the spectacular. The outlook is for a continued period of sound conditions. This section of the country has very largely passed out of the one-crop class and no longer is concerned with one-crop depression. Farm diversification has proceeded to a point which indicates a buying power for the northwest section of a substantial and fixed amount, with possible changes being for a betterment.

"Construction already is responding to the improved conditions and the outlook is for a decidedly active year in 1928, although the activity already has set in in the smaller communities where the crop money first makes itself available."

In the person of Edward P. Peck, vice-president of the Omaha Elevator Company, Nebraska speaks with as cheerful a voice as Minneapolis.

"NEVER before," said Mr. Peck, "have agricultural and business conditions as a whole been better. Extraordinarily bountiful crops and high prices for agricultural commodities are reflected in increased bank clearances, larger savings deposits, conversion of frozen into liquid assets, and widespread optimism.

"Prosperity has not resulted in farmers indulging in a speculative orgy, but rather in their paying their debts and in purchasing such things as are needed by them to carry on their work."

If we ask a mid-western wholesaler, what will he say? Here's W. M. G. Howse, president of The Johnston and Larimer Dry Goods Company of Wichita.

"Your views, please, Mr. Howse."

"THE outlook for 1928 in the southwest is good. Agriculture plays the major rôle in business here and agriculture has learned that economy is a virtue whose practice tends for the relief of many pains experienced lately through extravagance.

"Stock men have had the best year since the war.

"Banks are in soundest position in their history.

"The only business that has not been good is oil."

Another wholesaler, this time R. R. Ellis, president of the Hessig-Ellis Drug Company of Memphis.

"'EVERYBODY that talks about Heaven ain't going there,'" said he. "Everybody that talks good times—abundant prosperity—is not experiencing it.

"Due to favorable climatic conditions, to the plentifulness of reasonably priced labor, raw material, cheap hydro-electric power, the South is fairly conspicuous as a desirable place in which to do business, with a reasonable expectancy of making profit. As a result of this many new enterprises have moved into this section, which has greatly accelerated business conditions and brought more ready cash into a territory which formerly got money once a year and then from cotton.

"I think we have many reasons to expect continued progress and some profits the coming year. I see nothing now to be overly enthusiastic about."

Bankers perhaps are more conservative than most other business men but they see widely. Here's a banker with lumber interests also. He is not letting optimism run away with him. R. T. Moore, chairman of the Board of the Commercial National Bank of Shreveport, will tell you this:

"'TIS said the state of business is chargeable to a state of mind; the public purse is open or closed, according to its mood. The Southerner is an optimist, thus enabled to meet emergencies with a reserve of resourcefulness that sees him through. Hence, the present outlook generally, none too good, due to flood in sections, short crops, etc., would dampen his spirits and restrict his buying, were he not reared on difficulties and nurtured on adversity.

"Buying for the present may be conservative, but obligations are being liquidated as usual. The banks possess ample funds for all deserving demands.

"In lumber, which represents my principal interest, and is among our most important sources of trade, shipments are largely to the Middle West and East. The present shrinkage in volume is being met by curtailment of operation, bringing supply and demand closer together. The industry was never better prepared than now to sustain a lull, that may extend into the early spring of 1928."

Another director from New Orleans, William Pfaff of Searcy and Pfaff, printers, is brief. Said he:

"THE outlook for the south, particularly that part of the central south through which the mighty Mississippi



The Lowest Priced Six-Cylinder Truck of Its Size in America

THE Heavy Duty Speed Wagon is the lowest priced six-cylinder truck of 3-ton capacity in America.

No other truck of its class even approaches it in low original cost.

In the Underwriters' Laboratories—where sham valuations are stripped away—the actual insurance price of twenty-nine 6-cylinder, 3-ton chassis averages more than $4000. No individual price is less than $2650.

The Heavy Duty Speed Wagon chassis sells for $2185.

If published prices—rather than insurance prices—are considered, this difference is even more amazing. But comparisons have been made on a Speed Wagon basis—for Speed Wagon prices are never stretched to allow seemingly large "discounts" from dealers.

When you buy a Heavy Duty Speed Wagon, you get America's lowest price, plus a combination of performance, operating economy and endurance that has yet to be duplicated.

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A SPEED WAGON FOR EVERY TRUCKING NEED

JUNIOR	MASTER	STANDARD	HEAVY DUTY
Capacity up to one-half ton Chassis, $895	Capacity up to two tons Chassis, $1645	Capacity up to a ton and a half in 2 wheelbases at $1345 and $1445	Capacity up to three tons Chassis, $2185 Special Dual Internal Brakes

PRICES AT LANSING

6 Cylinder Dual Internal Brakes Coupe Cab

SPEED WAGON

for faster, surer, easier, cheaper hauling

When buying a Reo Speed Wagon *please mention Nation's Business*

flows, depends largely on what the attitude of Congress will be on flood control. The permanent prosperity of this vast and fertile region will come only when the Mississippi Valley is made safe.

"Notwithstanding the great flood of last spring our people are all encouraged and are back on the job with a determination to succeed.

"As to my particular industry—printing is the handmaiden of every line of business endeavor—when business is bad, printing is called in to help it get better; when business is better, printing helps it to increase and when it is at its best, printing is largely used to keep it there, so we have no fears or worries as to the future outlook for this industry."

For Arizona and the southwest, with their mines and ranches, we are going to call on Dwight B. Heard, president of the Dwight B. Heard Investment Company. His interests are varied and what he says is worth listening to.

"What do you see on the horizon, Mr. Heard?"

"ARIZONA enters the year 1928 with even more promising conditions than in 1927," answers Mr. Heard. "A general revival of mining throughout the state and a more optimistic outlook for the copper market is supported by increased agricultural acreage and better farm prices.

"Cotton production in Arizona this year will bring $10,000,000. Livestock conditions are better than at any time in the last eight years.

"The Sante Fe and Southern Pacific Railways are planning to expend large sums in Arizona in 1928 and the Salt River Valley Water Users Association will start work on another large storage and power reservoir the coming year. Work on the five and a half million dollar San Carlos Reservoir is progressing according to schedule and water should be delivered for 1929 crop. Lake Pleasant Dam was completed during the past year and the development of 40,000 acres in this project will begin the coming year.

"Banks in Arizona show consistent stable growth."

Lafayette Hanchett, head of Utah Power and Light, sees his Intermountain district largely in terms of crop insurance through water supply.

"FARMERS," says Mr. Hanchett, "are reporting large crops tending toward material reduction of outstanding farm paper, held by banks. Livestock and wool industries are in healthy condition, with good earnings. Our principal metal mines are very active, keeping output up to normal, and all are now employing full forces of labor. Our iron ore industry is maintaining capacity output. Our coal industry is below normal and its prospect for betterment in the immediate future, is somewhat doubtful.

"The state of Idaho is especially blessed through having now in storage, in the new American Falls dam, a completely filled reservoir of water, which insures ample irrigation supply for 1928, and thereby makes certain a heavy crop for next year. Work has just been started by U. S. Reclamation Service upon the Echo Dam project on Weber River in Utah, which means when completed, a reliable water insurance for Utah farms, comparable with Idaho's great American Falls reservoir."

"THE immediate outlook for the Pacific Coast in business, including that of railroad companies, indicates no material change in volume," said Paul Shoup, executive vice-president of the Southern Pacific Company at San Francisco, speaking for the railroads of the Pacific Coast. "The profits are varied in different industries irrespective of volume. The railroads are having considerable additional burdens to carry as result of arbitration under the new law.

"Productive facilities are ample and, independent of question of wages, are probably more economic and efficient than heretofore and the weather conditions have on the whole been very favorable during the last year.

"Our extensions of new lines into very attractive territory in Arizona, California and Oregon and marked improvements in the resort facilities up and down the Pacific Coast including Arizona make the outlook favorable with respect to both winter and summer business."

Los Angeles is an optimistic city and Arthur S. Bent of Bent Brothers, contractors, reflects sunshine when he talks of business.

"THE outlook for southern California," says Mr. Bent, "is particularly fine for the following reasons: The construction industry in the last six months has again brought Los Angeles to third place in the United States due to an addition of sixty thousand to permanent population and to the extensive public building program, and also to the location here of several large national industries.

"Advent of these new industries with an investment of nearly fifty million dollars makes 1927 a banner year for this community or any other of its size. Agriculture is in a much improved position with large crops in every direction. Cotton crop is excellent, the oil situation is much improved. Stagnation of last year due to overproduction is now relieved and oil companies are starting on an important program of development with production well under control. Industry in general is fair.

"Improvement in agricultural conditions in Arizona, Nevada and Utah has greatly increased their buying power."

From Fresno we called to the conference Ralph Merritt, general manager of the Sun Maid Raisin Growers. Mr. Merritt is cautious.

"FORECASTS based on credit conditions indicate that general business activity in California will be near normal during the first half of 1928. Analysis of crop reports indicate that volume of agricultural production and shipments this year will equal 1926 and will be slightly larger in value. The livestock industry has had a generally favorable year. The year has been particularly favorable to barley, rice, sugar, beets, cotton, citrus fruit, walnuts, canteloupes, cattle and sheep producers; particularly unfavorable to canning peach, prune and hog producers. Mineral production this year may exceed 1926 in amount if not in value. Petroleum production will be about the same while the outlook has improved with a decline in stocks of crude. Cement production increased in 1927 as did stocks. Manufacturing activities, as reflected by employment, has been slightly less in 1927 than 1926."





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As Congress Starts in Again

by FRED DEW. SHELTON

MANY issues left in suspense last March greeted the new Congress which convened December 5. The docket includes such "unfinished business" as the Smith and Vare elections, farm relief, postal rates, Boulder Dam, railway consolidations, public buildings, return of alien property, and several knotty problems of foreign relations. Add to these tax revision, flood control, merchant marine policies, tariff controversies and annual appropriations and you have the major issues before this session of Congress.

Taxation

A new revenue bill already has passed the House which added some $57,000,000 to the tax cut proposed by the Ways and Means Committee. The whole question, however, will be reopened in the Senate, and one may expect that the measure which reaches final passage as the spring thaws approach will differ materially from the bill that got its start in the Ways and Means Committee of the House. Now as to the terms. A fair speculation is that the extent of the cut will be over $300,000,000.

A reduction of from 2 to 2½ per cent from the present 13½ per cent corporation income tax rate is likely.

The 3 per cent automobile tax will be reduced and may be repealed. A strong attempt at elimination of the federal estate tax will be made, but there is little chance that it will be accomplished over the determined stand of the Ways and Means Committee of the House, which wants the tax retained. The exemption on amusement taxes will be raised.

There is small chance that anything like a comprehensive reform of tax administrative provisions will be put into effect in the next revenue act. The most glaring injustices probably will be corrected, but the main job will remain for another Congress.

Merchant Marine

Chairman O'Connor of the Shipping Board has carried the ship problem to Congress through a circular to all Senators stressing the need of immediate authorization for the Shipping Board to build new ships and expand its activities. Senator Jones of Washington has sponsored a bill for this purpose. Opponents of government operation have advanced a plan whereby private shipowners would be encouraged to bid for contracts to maintain essential trade route services, which, added to ocean mail contracts, would offer the incentive needed for building up a privately owned and operated merchant marine.

There are other proposals such as government ship construction loans at 2½ per cent interest, as suggested by E. N. Hurley, former chairman of the Shipping Board; acquisition of ship lines by railway companies; and various brands of subsidies and near subsidies.

Not much will happen. The government expansion program is destined for defeat, especially since President Coolidge is strongly opposed to it, but federal aid for private lines will be difficult to realize in this session of Congress. Thus we may look for the merchant marine tangle to last for some time yet.

Postal Rates

It may be possible to get a considerable revision toward the end of the coming Congress if too many new issues are not raised and if enough demand arises for legislation. The Postmaster General can be expected to oppose changes which would reduce total net postal receipts, but business mail users are undertaking to show that new profitable postal business can be restored to the mails through adoption of more reasonable postal rates.

Postal employes are said to be planning a drive for more pay. It seems impossible to get consideration of postal rates without taking this important factor into account.

Boulder Dam and Muscle Shoals

The Swing-Johnson bill to dam the Colorado River to develop hydro-electric power, prevent floods, furnish water, etc., has been reintroduced. There is strong opposition to that part of the bill putting the Federal Government into the business of generating and selling hydro-electric power. The fate of the bill will hinge largely on the ability of proponents to direct legislative strategy. Difficulties experienced by the seven states concerned in reaching agreement on an interstate compact also confuse the issue.

The Muscle Shoals deadlock will remain unbroken with continuation of War Department operation of that plant.

Closely connected with these two projects is the prospective investigation of the hydro-electric water power in this country, particularly in relation to public utilities. Such an investigation would aid in the passage of the Boulder Canyon bill. This whole question of water power development is of growing importance and will be before the country for many years to come.

It is the keynote of the campaign of government ownership advocates.

Agriculture

Prices of farm products are higher than last year. Hence, pleas for relief will be less urgent in some sections. Last year, for instance, distress prices for cotton brought the South strongly into the ranks of those asking federal relief. Present high cotton prices may change that situation. The McNary-Haugen advocates, nevertheless, are again putting up a fight for a modified McNary-Haugen bill which retains the equalization fee. The administration is projecting feelers for a plan to authorize a revolving fund to be used for the purpose of stabilizing crop values through regional cooperative organizations. Political factors may lead to passage of one of these bills but lack of unity among farm leaders may bring the same *impasse* which has prevented legislation in the past few years.

Banking

Committees of Congress have been making and will continue to make studies of the Federal Reserve System. The excitement which followed the recent clash between the Chicago Federal Reserve Bank and the Federal Reserve Board over control of rediscount rates has subsided, but one may expect echoes of the fray during this session of Congress. This controversy probably will figure in discussions of the Strong bill designed to control the price level through adjustments of the Federal Reserve discount rates which will be revived. The Strong plan has academic appeal but never has won wide acceptance by practical banking authorities.

Agitation for federal legislation to create a revolving fund for prevention of national bank insolvency is being carried on. It is an old proposal and never has got far. The Treasury has studied the plan and is understood to be against it.

Mississippi Flood Control

Flood control of the Mississippi, which in principle has universal support, is jeopardized by the number of auxiliary projects which enthusiasts from various sections of the country are seeking to tie on to the Mississippi measure. The House is expected to take action early in the session, but there is sure to be delay in the Senate.

Workmen's Compensation

The so-called Underhill bill which provides for workmen's compensation for the District of Columbia will be pressed by those who favor the principle of workmen's compensation insurance but oppose the state monopolistic feature. It has the support of the business and insurance groups.

Business, however, has carried on a long campaign to prevent passage of the so-called Fitzgerald bill which provides for compulsory state monopolistic workmen's compensation insurance in the

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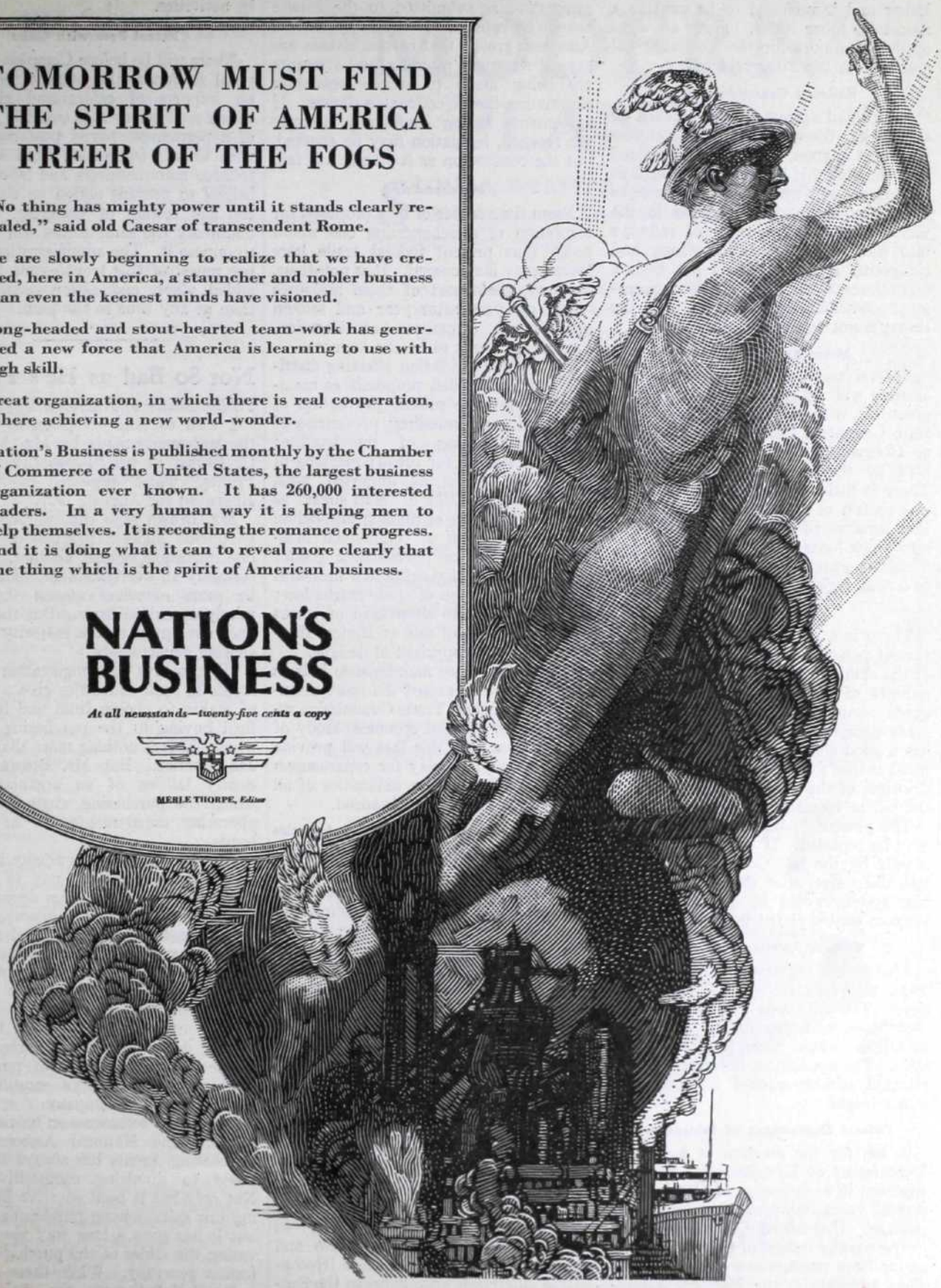
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District of Columbia. This bill has the backing of the American Federation of Labor and is intended to be used as a model for other states. There are signs of more support for the Underhill bill and less for the Fitzgerald bill.

Railroad Consolidations

Substantial agreement was reached on the Parker-Watson bill in the last session of Congress, and it is considered possible that this bill will go through in the present session. The bill proposes to remove obstacles now standing in the way of voluntary mergers of railways into a limited number of strong and competing systems. There has been a recrudescence of agitation for government ownership of railways, but the threat is not taken very seriously.

Motor Bus Regulation

Federal regulation of motor common carriers will again be agitated in Congress. It is understood that the Interstate Commerce Commission will report to Congress on the extensive hearings held by the Commission a year ago. There is little prospect of legislation in this session of Congress since the question involves so many conflicting interests which have not yet been reconciled. Truck operators are especially inimical to federal legislation.

Immigration

There is a good chance for modification of present law to permit admission of the children of American citizens and parents of American citizens as non-quota immigrants. Such legislation made progress in the last Congress and has a good chance of passing. There is small chance for legislation to extend the principle of the quota to Mexico, or for the bill to require registration of aliens.

The present "national origins" clause may be repealed. It was postponed for a year by the last Congress because it was discovered that the results of the new system would be contrary to the purpose contemplated by the law.

Turkish-American Treaty

This treaty, negotiated at Lausanne in 1925, was rejected by the Senate last year. The vote was understood to be very close, and therefore a slight gain in support would make ratification possible. The opposition, however, has not relented, and the outlook for the treaty is not bright.

Federal Department of Education

A bill for the creation of a Federal Department of Education has been introduced in each session of Congress for several years but never has come near passage. Undoubtedly it will come up in the coming session of Congress, but is as far from passage as ever before. Its chief advocate is the National Education Association representing the great body of public school teachers.

Hague Rules

The Hague Rules for ocean bills of lading which were adopted in 1922 were somewhat later changed by the convention at Brussels in 1923. The Brussels convention as submitted to the Senate cannot be ratified. It is felt by various American groups that certain clauses are against American interests, and attempts are being made to secure legislation eliminating the objectionable clauses. If agreements among conflicting interests are reached, legislation may be enacted, but the convention as it stands will fail.

Merchandising

From the number of bills proposed for regulation of merchandising one would judge that present federal trade laws leave many ills uncured. It is notorious, however, that most of these measures "bob" up year after year and seldom get beyond committee consideration. Prevention seems to be the keynote.

Prospective legislation affecting distribution includes such proposals as maintenance of resale prices; prevention of merchandise misbranding; prevention of deceptive packing of merchandise; standard weights for bread; marking of country of origin of imported nuts, fruits, etc.; legalizing of "corn sugar" as sugar; prevention of mailing unsolicited goods; prevention of commercial bribery; regulation of prison-made goods; standardization of weights and measures for wheat; revision of trade-marks law; labeling of flour to show kind of wheat used; regulation of sale of clinical thermometers; and copyright of designs.

Of this list, price maintenance bills in the past have attracted the most attention. The Federal Trade Commission recently began a broad economic study of this question, and this fact will provide a new excuse for delay for congressmen who are baffled by the difficulties of all plans which have been advanced.

Reorganization of Administrative Agencies

Since 1921, proposals have simmered in Congress for a general reorganization of the federal executive departments in the interest of efficiency and economy. A Joint Congressional Committee at one time, after extensive and prolonged study and investigation, reported a plan for reorganization. This plan got nowhere and will not make much headway in this session unless a new interest can be injected into it. The Chamber of Commerce of the United States is stressing this as a matter of first importance.

Alien Property

One of the bills that died in the last Congress due to the last minute filibuster in the Senate was the bill to return alien property sequestered during the World War and to settle war claims of American citizens. This bill has received early consideration in the House and ought to become law unless irreconcilable differences arise between the Senate and the House.

Trust Legislation

Attempts will be made to revise anti-trust laws, but it will be a long time before anything definite is accomplished. Organized labor will work for modification of the law which hampers some of its activities.

Parcel Post with Cuba

There will be before Congress the proposal to repeal the present restrictions on imports of cigars and cigarettes, which restrictions now stand in the way of a permanent parcel post convention with Cuba. Opposition from American tobacco manufacturers and labor unions helped to prevent action on this bill in the last session of Congress, and undoubtedly the same forces will continue to oppose it. The administration is urging repeal of this troublesome law with added vigor, and action seems nearer than at any time in the past.

Not So Bad as He's Painted

To the Editor of NATION'S BUSINESS:

I wish to take exception to some of the statements made by Mr. Alexander C. Brown in his "Prosperity But No Profits," which appeared in NATION'S BUSINESS for August, 1927.

Mr. Brown says that purchasing departments make a practice of working one quotation against another. This is certainly an overstatement. There may be some offenders among the small, poorly organized firms. But the charge does not apply to the majority of purchasing departments.

He also says that engineering departments in some industries give a number of makes to choose from and leave the final buying to the purchasing department. This is nothing more than standard practice. But Mr. Brown is evidently talking of an organization in which the purchasing, engineering, and operating departments are at loggerheads.

The well-organized company of today realizes that it doesn't pay to tolerate antagonisms in its various departments. It demands, and gets, cooperation from its purchasing department and from all other departments. And its purchasing department consults with the other departments directly interested in the material being bought.

It is out of the question for the purchasing department of any large or reputable concern to think of purchasing machinery, etc., without consulting the executives of the company.

Mr. Brown comments on beating down prices. The National Association of Purchasing Agents has always been opposed to divulging competitive bids. Not only has it been effective in fostering this spirit among purchasing agents, but it has gone a long way toward elevating the ethics of the purchasing profession generally. While there may be a few isolated cases, the majority of purchasing agents are not of the type to which Mr. Brown refers.

R. C. INGRAM,
Division Purchasing Agent,
Pittsburgh Plate Glass Company.

Some New Dates To Watch For

Sunday, January 1.—Sun rises 7:20 A. M.; sets 4:39 P. M.—Average Citizen rises at noon—slightly indisposed.

Tuesday, January 3.—Completion of season for Christman swapping; department stores report culmination of peak period of exchanges.

Wednesday, January 4.—Ripley, Tenn., Rotary Club denounces mail-order houses as unfair competition to local merchants, 1930. Montgomery Ward and Sears Roebuck increase dividend.

Thursday, January 5.—White goods firms push household sales, as Ku Klux Klan wanes as market factor.

Friday, January 6.—Bootleggers Board of Trade, in resolutions, expresses complete indifference to tax reduction program.

Saturday, January 7.—Lack of snow causes distinct softness in prices of skid-chain securities.

Sunday, January 8.—Organized League of Husbands favors electrical refrigeration on ground that it eliminates a moral hazard in the home.

Tuesday, January 10.—International bankers are not bad boys of the Western World, says Thomas W. Lamont.

Thursday, January 12.—Mark Sullivan, political writer, in swing around country finds man who admits he is candidate for the presidency; aspirant bitterly attacked on question of taste.

Friday, January 13.—Last of the Annual Numbers, with business forecasts for 1928 published. Consensus of Opinion is that business will be good unless adverse factors develop.

Saturday, January 14.—Thrift Week Committee approves free admission policy of "The Ladder" at the Lyric Theatre, New York.

Sunday, January 15.—Model A (Ford) accused of snobbery toward Model T on public highways.

Monday, January 16.—Amateur speculators pay heavy fees for tuition in market behavior during a technical reaction.

Wednesday, January 18.—Fourth anniversary of retort by victims of Will Roger's satiric thrusts to the effect that as a writer and speaker Mr. Rogers certainly knows the ropes.

Sunday, January 22.—In figuring income tax returns for 1927, average trader in Wall Street finds out that Rothschild's aphorism "you can't go broke taking profits" is still timely.

Tuesday, January 24.—Receiving huge dividend checks on his two best seller books, Will Durant, lover of philosophy, announces that the renaissance is here.

Wednesday, January 25.—Dull day in Wall Street; only three new investment trusts are launched.

Saturday, January 28.—During mid-winter seasonal reaction, *American Magazine* is hard pressed for ideas for success stories.

Sunday, January 29.—Speaker at conference for the elimination of waste avoids needless words in address, 1999.

Tuesday, January 31.—Society for the Advancement of Psychical Research announces readings on the ten outstanding bonanza stocks in the present market; Yankee Stadium unable to hold throngs interested in the proposed research.

—M. S. Rukeyser.

"MODERN" PLANTS

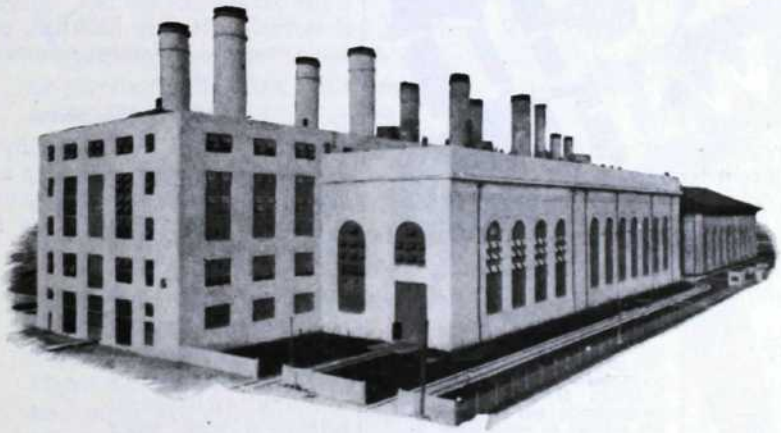
STONE & WEBSTER, Inc., built a station in 1894. An account, "A Modern Power Plant," contains these words:

A complete mechanism, every part designed to work with every other part ... in case of accident to any member, some other can perform its duty ... energy put on the line surely and cheaply ... must be no shutdowns, either steam or electrical ... every device and arrangement a good investment ... constructed and equipped under constant supervision and care.

Written when 2000 kw. was an important installation, this remains a good description of Stone & Webster power work. It shows the sound early foundation on which rests the experience offered Stone & Webster clients today.



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A LARGE plant building heavy machinery and owned by holding corporation in New York requires general manager with broad commercial experience who can put customer's viewpoint into the product.

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The product is excellent and leads competition in quality. It is well recognized in certain fields but possesses equally great advantages in others not yet developed.

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clean with

START fighting waste *now!* Begin with your cleaning operations. Ferret out any wasteful practices that may exist there and replace them with Oakite methods. It will pay you to do so—bring you substantial savings in time, labor and money, as it has already done for thousands of concerns who now clean with Oakite materials.
Here is a profitable way to start the new year. Write us

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OAKITE PRODUCTS, INC.
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(Formerly Oakley Chemical Co.)

OAKITE
Industrial Cleaning Materials and Methods

Teacups or Tanksful?

By Arthur R. Maas

FEW FOLKS know that shoe cream and mayonnaise are closely related. Mayonnaise they know as a delicate food. Shoe cream is—why, something to polish shoes!

To the chemist, they are like Judy O'Grady and the Colonel's lady—sisters under the skin. They are both emulsions, and emulsions are among the most precisely balanced complexes with which he deals.

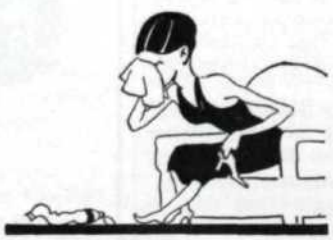


An emulsion is really a marriage. For market purposes, the chemist is constantly bringing such marriages about, as with shoe creams; or dissolving them by divorce, as in oil refining. Very often crude oil comes out of the ground so happily wedded to water that breaking down the marriage is a tough job. With shoe cream and mayonnaise, the chemist must coax his ingredients into wedlock. If the high-contracting parties are compatible, and the marrying parson is an old hand, the vinegar and the oil may live happily together ever after. Otherwise, proceedings for a separation are soon started, and eventually nothing but absolute divorce will do.

When a manufacturer makes shoe cream he works with batches of a thousand gallons. Figuring ingredients alone at a dollar a gallon, there is a serious loss if the batch turns out bad. More serious if it turns out only half bad, gets into trade channels, separates, or makes nasty spots on fine shoes.

A Costly Shoe Shine

HALF a cent's worth of badly emulsified shoe cream may ruin a pair of thirty-dollar shoes. For women are paying that much nowadays for fine foot millinery. It is the women who buy and use shoe dressings—men have their shoes shined. Women are close observers. They constantly exchange information with other women, and they have long memories. So, it is important that shoe cream be right.



When a chemist makes shoe cream, he mixes, not one batch, nor ten batches, but several hundred. However, these are small batches—about half a teacupful. The whole cost of ingredients will not be above six or seven dollars.

When the manufacturer mixes one batch, he wants to get it right. But the chemist would just as soon have it wrong. He works for mistakes. They are his chief product, and satisfactory shoe cream his by-product. If fifty pounds of mistakes will yield half a teacup of perfect shoe cream, he writes down the formula for the manufacturer, and charges him for the mistakes. The bill may be several hundred dollars, yet it will be one of the best investments the manufacturer ever made.

Because he now has a method of making perfect shoe cream, or mayonnaise, or whatever it may be. And he also knows several hundred ways in which it should not be made.

When Dr. Leo H. Baekeland made a solid resin by mixing formaldehyde, basically a gas, and phenol, which was probably used as a liquid in his experiments, he worked out the method in this way—by ounces. When his resin was ready for factory production, he called it "bakelite," and laid down an axiom which I am taking for my text:

"Make your mistakes on a small scale," said this eminent chemist, "and your profits on a large scale."

The Chemist and Shoe Cream

LET US see how the chemist applies this axiom in the making of shoe cream, for example.

"What is shoe cream?" the chemist asks, at the start. "What does it do to shoes?" Presently he answers his own questions, by inquiry.

"Shoe cream is a kind of mayonnaise that people put on shoes—mostly women's fine leather shoes. It cleans leather, and gives a pleasing polish. It is used on every kind of leather, from kid to kinkajou."

He finds that shoe creams are made from certain ingredients. Around those ingredients he throws "constants," and proceeds to make up batches, varying the proportions, the times, the temperatures, and so on.

Now, when the manufacturer makes a thousand-gallon batch, he sees little that is going on in his big batch.

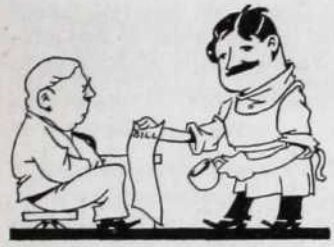
But the chemist sees everything, because he puts drops of each mix under the microscope. This shows the character of the emulsion.

Then he tries his mix on various kinds of leather. Some of them will act well. But he divides his half teacupful. He puts one portion in an incubator, where it will be kept at equatorial heat for a month; the other, into

a refrigerator, where it will undergo Arctic temperature. The manufacturer of many articles as widely distributed as shoe cream has been doing this in factory quantities, and using the dealers' shelves in Nome and Nairobi for the tryout. The results have not always been satisfactory.

If the chemist's clients, the manufacturers, could follow work of this kind, they would soon lose the common notion that chemistry is magic, dealing with unseen things. In a tankful of product, the jinx can successfully hide. But under the reflected light of the microscope it hasn't a chance.

Seeing is one of the chemist's first tests in many lines of industrial work. The microscope is as mighty as the test tube, and the things that it reveals are



quite plain to the layman, when pointed out. Going after them, and making them visible, is another matter.

Let me illustrate with the common test for arsenic, which is typical of work on manufacturing materials, and also important in itself, in analyzing foods for purity.

Suppose arsenic is suspected in given material. A solution of the material is made with water and a trace of acid. In this solution a piece of copper foil is boiled. If it turns dark, there is reason to suspect arsenic or other substances.

It's Mercury or Arsenic

THE copper foil is placed under a glass microscope slide and heated. It deposits something on the slide. This is examined under the microscope. If the stuff shows octohedral crystals, that is the form of arsenic—it is probably arsenic. If globules are found instead, they are probably mercury. By sight, the chemist gets a clue for further tests to check his first results. In the vast range of Nature there are few substances that can be mistaken for each other by sight under the microscope. The crystals, the fibres and so forth are as different as Mutt and Jeff.

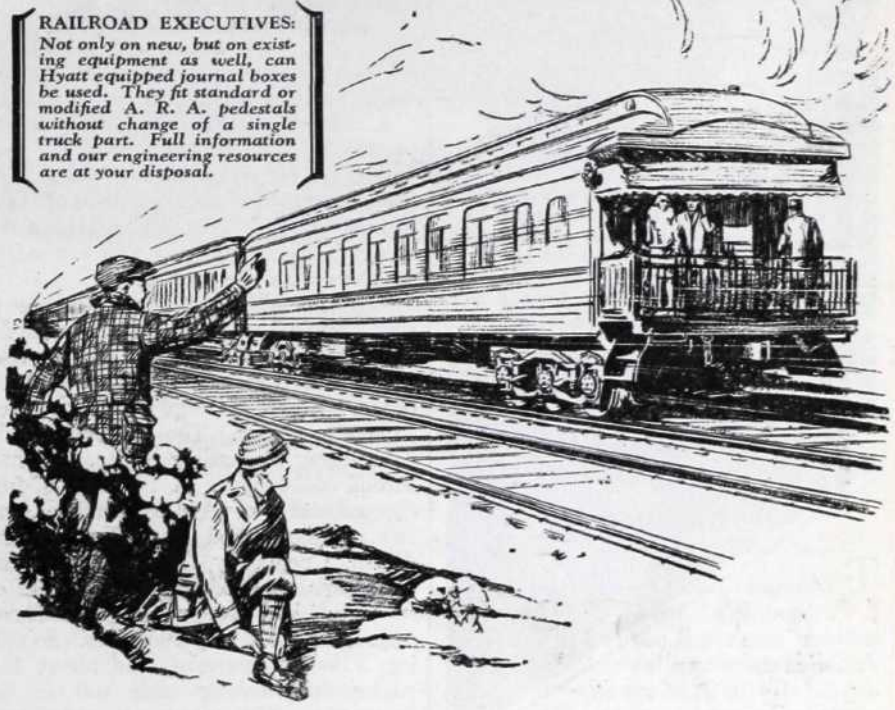
To be absolutely certain, the chemist runs further tests for color, chemical reactions, taste, odor, until finally there is no possibility of error.

And a four-ounce sample is as good as a thousand gallons. For his microscopic examinations are made with drops, and if the product is shoe cream, he has plenty with which to polish various types of leather and store away for temperature tests, and a remnant to file away for the effects of time.

Time is sometimes the most elusive jinx that can slip into the product. In

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AMERICAN RAILROADS are giving a new conception of operating smoothness
..... on Hyatt Roller Bearings

RAILROAD EXECUTIVES: *Not only on new, but on existing equipment as well, can Hyatt equipped journal boxes be used. They fit standard or modified A. R. A. pedestals without change of a single truck part. Full information and our engineering resources are at your disposal.*



YOU feel the difference at once. The train starts with a gliding gentleness that is delightful. There is no jerking or jarring—no sensation of motion. Top speed furnishes the same degree of riding comfort.

These trains are rolling on Hyatt Quiet Roller Bearings—the bearings that have played so important a part in the development of the automobile and in the improvement of industrial and agricultural equipment.

Over fifty American railroads, instigating a national movement toward greater passenger comfort, are already operating Hyatt equipped cars.

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Don't Sell American Traffic "Short"



PROOF OF BRICK'S AMAZING TOUGHNESS

Many brick-surfaced pavements have been used for over 30 years. Then the bricks were re-laid with the "other-side-up."

THE Senior J. P. Morgan's maxim "don't sell America short" applies especially to America's roads and streets.

Every engineer knows the story of the automobile's never-ending increase... of railroads taking to the highways... of heavy, high-speed busses... highway traffic still in the early stages of development with loads becoming heavier and heavier on the pavements.

Traffic has been "sold short" in the past. First dirt roads, then gravel, then other pavements fell before its pounding and the severe action of weather changes.

Of all pavements only those of brick have withstood this increase in traffic.

Brick pavements that have been in use for thirty years are being relaid with the new and unused side up—good for thirty years more use.

Paving brick resists the two destroyers of roads—the weather and traffic. Laid with asphalt between bricks, it makes a surface absolutely watertight. Moisture can't get in to start destruction. This surface, sand cushioned, is resilient under the shocks of heavy traffic.

National Paving Brick Manufacturers' Association

332 South Michigan Avenue, Chicago



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a certain industry, large quantities of a chemical were used. This chemical was bought as a solid, something like salt, and wound up its career as a liquid. The chemical was then "spent" for that purpose, yet it was in the liquid, and anybody who could recover it would



have a good business in converting waste back to marketable material.

A chemist worked out a regeneration process. It was carefully checked and developed on a laboratory scale, until results seemed to be absolute. All possible errors had been discovered "in the beaker," and a company was formed to commercialize the process.

A considerable quantity of the recovered chemical was sold, at a fine profit, and gave excellent results. One day, several months after commercial production began, however, a complaint was received from a customer. The chemical should have been a dazzling white. It had turned coffee-color. A thin film of foreign substance covered each crystal, and this in time turned brown through oxidation. Chemically, the regenerated material was as good, but the buyers of such stuff had always been accustomed to judging quality by whiteness. So selling a brown material was about like selling dirty-looking table salt to the housewife. The process is at present worthless, and the investment in regeneration equipment a loss.

When Science Slips Up

CHEMISTS are supposed to know more than manufacturers about technical things. Very often, however, in their zeal, they put all the emphasis upon their own ability, and give the business man too little credit for what he knows. It is a change, at least, to tell a story or two in which the chemist did not know it all. In industry nobody knows it all. There is still much to learn.

Many errors can be discovered in the test tube, but not all. Some errors are due to the test tube.

For example, take the man in the old story who put green specs on his cow and fed her sawdust. The man was right. Only the green specs were unnecessary, and the sawdust needed a slight chemical treatment.

Sawdust is cellulose. Cellulose is carbon hydrogen and oxygen. The addition of one molecule of water makes sawdust into glucose, or sugar. Then it car be fed to the cow as part of her ration, and makes milk and beef. By a little further change it could be converted into alcohol, which cows would probably like better.

The man who put the green specs on the cow might have consulted the chemist, and the chemist might have turned the sawdust into good cattle food. But if he did it in the test tube, and eliminated all the mistakes, and then installed a factory to do it on a large scale he would have got something different. A test tube is a splendid radiator for the heat generated by such a process. Factory apparatus designed without full knowledge of the heat radiated would cook the cellulose to carbon. Instead of glucose worth about five cents a pound, there would be carbon worth maybe a cent—and not worth anything for cow feed.

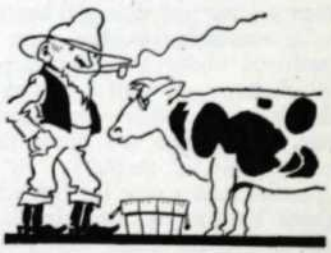
We have with us today a type of chemist whom I call "superchemist."

Not a hundred years ago, chemistry was mostly theory. Chemistry professors taught by lecturing about what would happen when A was mixed with B. Nobody mixed A and B to see what really would happen.

Pouring A into B

THEN along came Liebig and others of the "experimental" school. They poured A into B, and found that something happened entirely different from the theories in the lectures. And for three generations the experimental method has prevailed, with results quite plain all around us.

But in recent years, the teaching of chemistry has swung back a little too much to theory. It is assumed that everybody knows everything about all possible reactions of A and B. If the young chemist gets inoculated with theory, and disdains experiment he is what I call a superchemist. His education will not be complete until he has landed and lost a few jobs in the practical world. Until he has learned not only to put every problem to the test



of experiment, but to be decidedly humble about it, like the seasoned consulting chemist who is constantly seeking for his clients a way out of their troubles.

Several years ago, a little factory was started in Southern California. Its product was a staple article, in good demand locally. The process was carefully worked out by experiment, and the stuff found a good market.

Suddenly, there was trouble. Batches of product were spoiled in process, and had to be thrown away. Quite a lot of time and money were spent to locate the trouble in the process, and unsuccessfully. The process was right!

A young superchemist had been hired to watch that process—exercise a chem-

ical-engineering control by making laboratory tests on small quantities to see that everything ran properly. This chemist was a bright fellow, but had been inoculated with the higher theory to such an extent that he disdained the mere mixing of A and B in a beaker to see what they were up to now.

"In this plant," he said to himself, "I have all the factory conditions for experimenting on a production basis." So he had begun mixing A and B in thousand-gallon batches, in an effort to cut manufacturing costs and improve quality. There was nothing that he could possibly learn that way, which could not be ascertained in the laboratory. But the novelty of being in charge of a factory was too much for him. He made his mistakes on a factory basis, at the expense of the company. It was necessary to separate him from his job, and he may have to suffer the humiliation of losing several more jobs before the "superchemistry" is worked out of his system.

The Pupil Is Intelligent

ONE FORM of scientific dogmatism is expressed in disdain for the "cut-and-try" method used by men like Edison and Ford. In seeking to "educate" the business man, chemists rather take too much credit for their own intelligence, and fail to recognize that the pupil has considerable intelligence. When they give him some standing as an experimenter, and take his cut-and-try results into the laboratory to study them further, and reduce them to scientific accuracy, it will be a grand thing for industry. And likewise, a grand thing for chemistry.

London's Museums

CAN LONDON'S museums and art galleries be made self-supporting, and can they be made more popular? This is the problem which is to be solved by a Royal Commission that has recently been appointed by the British Government.

All told, there were 6,000,000 visitors at these museums and galleries last year, but most of them paid nothing, not even a tip.

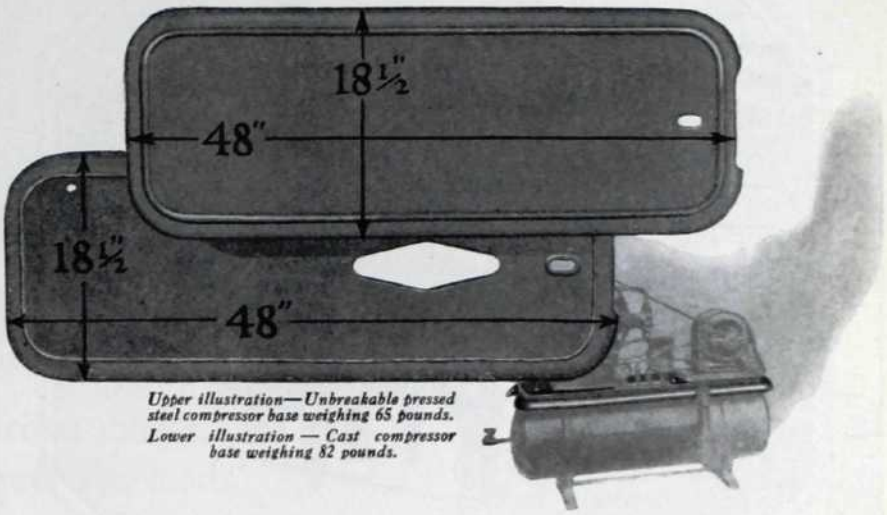
There are 24 museums and 10 art galleries, so that the average attendance was only 500 a day per museum or gallery.

The total cost of keeping up these public buildings is more than $5,000,000 a year. It is paid out of the Educational Fund. The cost is nearly a dollar per visitor. The British Museum alone costs $1,500,000 a year to maintain.

No doubt, if an admission fee of twenty-five cents per visitor were charged, with half price for children, the attendance would be increased and the cost would be cut down. Free shows are never popular.

If a thing is not worth paying for it is not worth seeing—that is what the public believes.

Again— Pressed Steel Saves Dollars!



Upper illustration—Unbreakable pressed steel compressor base weighing 65 pounds. Lower illustration — Cast compressor base weighing 82 pounds.

THE base of this air compressor pump *was* cast iron. But the manufacturer of the pump wanted to cut costs, eliminate breakage and reduce the weight. He came to YPS.

YPS engineers redeveloped the base into a *pressed steel part* and here are some of the benefits we gave our customer:

1. Attractive savings in costs.
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6. Better appearance to finished machine because of smoother surface on pressed steel base.

Let Us Show You How We Can Save For You

And likewise give you the benefit of quicker assembly, elimination of machining and other advantages only possible with pressed steel. Send samples or blueprints of any of your present cast parts. Or if you are in the development stage of a new product or redesigning an old one, send for our redevelopment engineers who will help you—without obligation—in simplifying your construction and securing the lowest costs on *pressed steel* parts *right at the start.*

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A Yankee at the Bank of England

by SILAS BENT



PHOTO FROM KEYSTONE VIEW

The Bank of England—windowless save for the openings above the entrance

THAT citadel of conservatism, the Bank of England, has chosen Walter W. Stewart, an American, as an economic adviser.

The Old Lady of Threadneedle Street is like no other bank in the world, and is as famous for her eccentricities as for her prudence. Windowless, save for the openings above the entrance, the bank's site includes a flower garden and a graveyard. It is proud of its history and proud of its peculiarities. One of its peculiarities is that it has never had a banker in its directorate, nor anybody as an economic adviser. When Mr. Stewart assumes his duties at the beginning of 1928, therefore, the bank will not only be adopting an American expert but an American method.

As for the American expert, there are two Walter Stewarts, just as there are two of nearly every man one knows; and it may be as well to introduce first the man who is Professor Stewart.

Instructor in Economics

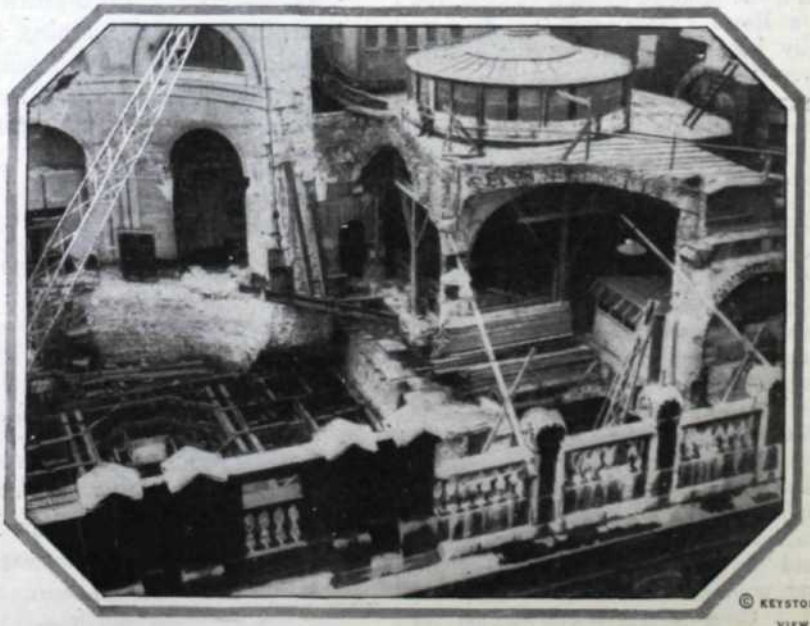
HE WAS summoned from the obscure financial editorship of the *St. Louis Times*, back in 1910, to be an instructor in economics at his alma mater, the University of Missouri. From there the course of the young pedagogue ran smoothly enough to the University of Michigan and back to Missouri as an assistant professor. Then he went to Amherst, in 1916, as a full-fledged professor, and it was there that he betrayed his Bolshevist leanings. For when Alexander Meiklejohn quit under fire as president of the college in 1924, the complaint against him being that he was too radical in his sympathies, Professor Stewart was one of the rebellious group in the faculty which resigned in protest. Thus he became honorably known in the academic world as a Red.

To the banking world Mr. Stewart became known much earlier, but by no means so conspicuously. He began his financial training as a boy in a country bank at Neosho, Missouri, even before he became a student at the university of that state. And he took his sabbatic leave from Amherst in 1918 to work in the price section of the War Industries Board, which gave him that view of the industrial situation thought necessary nowadays—even in England—to the equipment of the banking adviser. This is Walter Stewart Number Two.

A Statistician for the Reserve

AFTER the Amherst Rebellion, Mr. Stewart Number Two succeeded H. Parker Willis as director of research and statistics for the Federal Reserve Board. Mr. Willis, the able editor of the *Journal of Commerce*, was primarily a journalist, and he had concentrated the activities of the Reserve Board division on the preparation of a bulletin dealing with national and international conditions. Mr. Stewart, primarily an economist, gave a different slant to the work. He did not abandon the bulletin, but he developed and expanded the statistical information gathered by the staff. In the summer of 1925, as part of his quest for facts, he went abroad, and spent two weeks in the Bank of England, studying its methods.

Now, when Montagu Norman, governor of the Bank of England, Dr. Schacht, president of the Reichsbank, and Deputy Governor Rist of the Bank of France came to the United States last June to confer with Federal Reserve officials, Mr. Norman seized the opportunity to have a series of talks



© KEYSTONE VIEW

"The Old Lady" gets a new interior, while her exterior remains unchanged



William H. Hobart

Executive Vice-president of Hobart Brothers Company, largest manufacturers of one-day battery charging equipment and pioneers in the development of special power devices for automobile service stations and repair shops.

"World-wide recognition came our way when we changed methods"

How new methods built an international business in a bustling Ohio town

When world-wide trade loomed up, Mr. Hobart changed methods. Read carefully what he says, *then take advantage of our coupon offer.*

When a small business in a small town has been small for twenty-four years and then quickly takes a place among manufacturers doing business internationally, and rapidly extends its plant to fill more than five acres—when that happens, the interest of America's business men is aroused. They want to know how it was done.

Hobart Brothers of Troy, Ohio, now sell their line of equipment for automobile service stations and repair shops all over this continent and in Europe, Australia, Africa, New Zealand and South America.

How it was done is told here by William H. Hobart, executive vice-president.

"Our growth is due to our adoption of a modern method which doubled our ability to go after business and to handle the business after we got it. It is simply unbelievable what a change took place when we dropped shorthand for the modern Dictaphone. The great influx of business in 1917, after we introduced our one-day battery chargers, would have swamped us under our former system of doing things.

"In that year we began using the Dictaphone system, just a few machines at first. But these few soon showed up the working methods of the rest of us. Before long all ten of our chief executives had Dictaphones, and twenty-two sub-executives besides. Several of us keep an extra Dictaphone at home. I myself have a third machine reserved for my use when I am out in the factory.

"Our Dictaphone system not only saved the day but enabled us to capitalize a favorable situation, by rapidly upbuilding our general business to its present size.

"Advertising, Sales, Credits, Collections, Production, Service, Promotion—are all handled more easily and more effectively by Dictaphone than by the old way."

What's Wrong With Shorthand?

Executives say:—

"Out sick, so my letters have to wait."

"If I could only dictate while it's fresh in my mind."

"I'm forced to cut dictation short."

"She can't help me with other things."

"If she could only take it as fast as I think."

"It's the 'ring and wait' system."

"She can't get out all she's taken.

That's enough! I'll send in the coupon below on general principles



Mary Beck—Secretary to Mr. Hobart, says "My idea of a nightmare is going back to the old days when I constantly had to decipher Mr. Hobart's hastily written notes and he constantly interrupted me to take shorthand dictation. I handle at least twice as much work now, yet it is easier to do and I never seem to be rushed."

FREE BOOK



of portrait-interviews

USE COUPON for either this book, *Executives Say*, or similar book *Secretaries Say*.

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154 Nassau St., New York City

☐ You may tell your nearest office to let me try the New Model 10 without obligation.

☐ I want to read what leading executives or secretaries said, *when interviewed*, about increasing their ability with The Dictaphone. Mail me a FREE copy of your book.

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REG. U.S. PAT. OFF.

and double your ability to get things done



EXECUTIVES—
have you problems in freight elevator door operation?

FIFTEEN thousand PEELLE Freight Elevator Door installations are in active industrial service throughout the United States and Canada. Their efficient, economical operation, enduring construction and many exclusive PEELLE features speed up the handling of interior traffic, lower insurance and maintenance costs, guard against the menace of spreading fire and eliminate risks to men and freight. PEELLE Doors are counterbalanced and operate vertically within the elevator shaft . . . electrically or manually.

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We shall be glad to send you unbiased surveys of comparative costs of freight door operation, compiled by the neutral engineering firm of A. C. Nielsen Company. These surveys have been approved by a plant executive. They present facts and figures of direct savings and performance records that are worth your investigation. Write for data applicable to your plant problems.

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with Mr. Stewart. The younger man, having left the Federal Reserve Board to become economic adviser to Case, Pomeroy and Company, had been made a vice-president of the banking house. Apparently Mr. Norman's earlier impression was confirmed for while in New York he proposed taking Mr. Stewart to England. It is safe to say that no economist in the United States could have hesitated a moment in the face of such a proposal. It carried enormous kudos.

Mr. Stewart is one of the group in the United States which has evolved, as an outcome of World War experience and observation, a new technique of banking and industrial administration. European financiers observed the evolution at first, I believe, with a good deal of skepticism. It was a technique of taking time by the forelock, of planning at long range. Underneath it lay a detailed study of economic conditions and business "cycles" or waves. Economists, until now somewhat contemptuously regarded by business men, demonstrated that they could chart with surprising accuracy the future behavior of markets, gold movements and credit demands.

Business Trends by Intuition

HERETOFORE the Bank of England has merely sensed business conditions by the collective intuition of its directorate. It has depended on its contacts for information about the financial state of the empire. To modern American large-scale bankers that may seem a haphazard way of muddling along, yet the Bank of England has been surprisingly right. A system which had grown up through centuries has justified itself pretty fully by its works. That a new system should be tried out is not a condemnation of the old but an acknowledgment that the new may be superior. If this be an occasion for American vainglory, every one hundred per center may thump his chest as much as he pleases.

The Court of Directors, upon which the Bank of England has been accustomed to depend in sensing the state of business, is composed of merchants and members of the accepting houses in the London market. They are nominated by the directors and confirmed by the stockholders. The Bank of England is a private enterprise. It is an unwritten law that no banker in the usual sense —that is, no commercial banker—shall serve on the directorate. The tradition disqualifies experts from service.

This looks like a paradox. But the truth is that, if members of a few London banks were admitted to the directorate of the Bank of England, they could obtain information about the operation and position of their rivals. If all the banks were represented, the "court" would become unwieldy, as well as subject to jealous bickerings. The exclusion of men trained in commercial banking has worked out well.

Founded in 1694 to finance William and Mary, the Bank of England is now the fiscal agent of the empire, keeping the government's balance and managing its finances. It keeps also the balances of the other banks, provides emergency currency, maintains a cash reserve and is the holder of the central gold supply.

When gold flowed in an irresistible—and somewhat embarrassing—stream to this country after the World War, the Bank of England discontinued for a time payment in specie, but later returned to the gold standard. To this institution, enjoying an age and prestige beyond any other bank in the world, an American in his early forties is betaking himself, to sit in as expert adviser to its Court of Directors. I think I may say that he will need to be a diplomat as well as an economist.

If the bank needed merely to organize a statistical unit, there are competent statisticians aplenty in London to do the work. Mr. Stewart was chosen because he is familiar with methods evolved here and not yet familiar to England, of organizing statistics as a basis of future action. He is not in a position, as this is written, either to deny or affirm his appointment, and refuses to discuss it with me. The facts, however, are as stated. From other sources, familiar with the operations of the bank, it is possible to indicate what the new adviser's duties will be. He will take the post for at least two years, and will build up a statistical service as opportunities and needs present themselves.

The World, an Economic Unit

TRUE, the European central banks and the Federal Reserve Board have cooperated to the extent of annual meetings for the exchange of views between their officials. This is but another evidence of a realization which has come since the World War, that the earth is an economic unit.

Why was Walter Stewart selected instead of any one of a dozen American economists who are internationally known?

Well, there was the matter of acquaintance. Mr. Norman had come to know him back in 1925. But that is not enough. Mr. Norman knows scores of American economists. And there was the fact that Mr. Stewart filled, to the eminent satisfaction of the Federal Reserve Board, a position somewhat similar to that which he will fill in England. But that is not enough, either; for other men have occupied the same place, and still others serve in a similar capacity for the Reserve Banks. All of them are expert in gathering and collating statistics and in seeing that figures don't lie.

I think that if we hark back to the Amherst Rebellion we will have a clue. That incident hints at a character and personality which might prove attractive to Britishers. Mr. Stewart understands the uses of tact, but he has the quality of speaking his mind, once his mind is made up. It is a quality the British have, and admire. This Yankee at the Bank of England's Court of Directors may practice diplomacy, but he is likely to yield nothing of his honest opinion.

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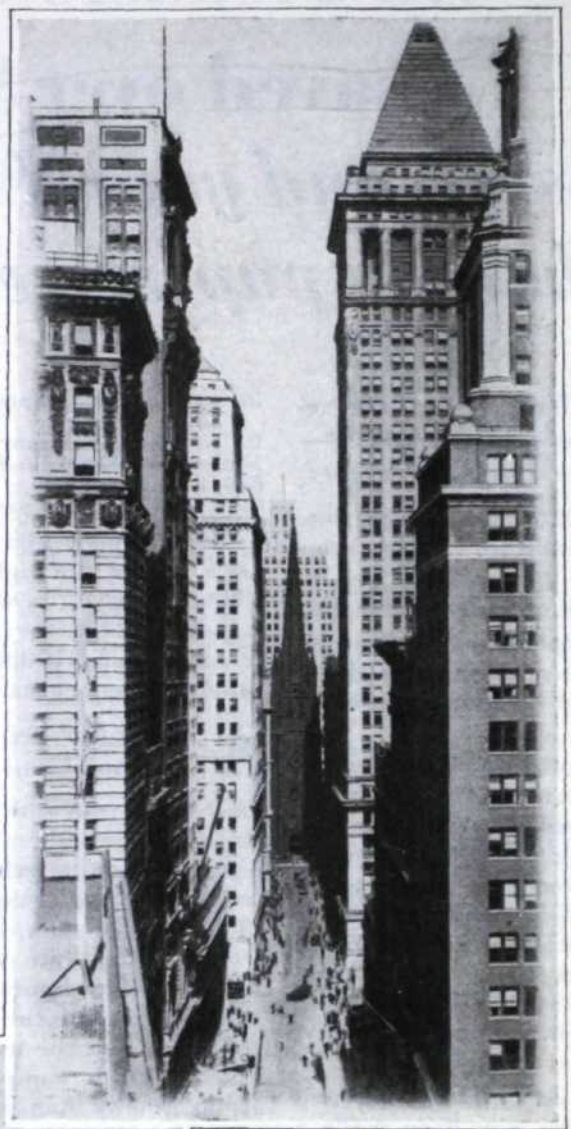
EVEN though the business cycle ignores the calendar, January is traditionally the period of rebirth of hopes, ambitions, and expectations.

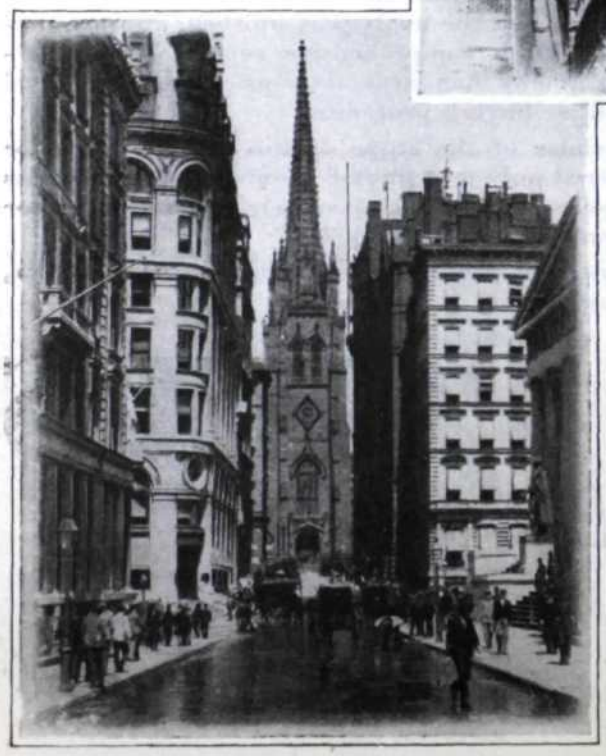
Trade prognostications are usually gilded with optimism in this perpetually growing country, and yet even when the extravagant forecasts fail to be realized on schedule, the attainment is usually only postponed for a limited period.

Prospects for 1928 are heightened by the recent moderate recession in trade, which has created shortages rather than surpluses of commodities.

Apart from short-term swings, there is no discernible evidence of the end of the long term period of high prosperity in the United States. The fundamental factors—a huge consumptive demand based on a rising standard of living, progressively improving skill in the technique of mass production, slower, but measurable improvement in efficiency in distributive channels, a dominant position in the world's gold markets and an abundance of capital and credit, bounteous natural resources, a scientific transportation system, and a capable government—are still operative in undiminished force.

Accordingly, there are more reasons for gloats than glooms at the turn of the year.





Wall Street as it is today, and as it appeared at the beginning of the century (below). The skyscrapers have made Trinity Church seem to grow smaller

John J. Raskob, chief financial officer of the General Motors Corporation, who yields to none in his confidence about the next twelvemonth, told me that "business will be excellent next year unless the people are tired of prosperity." There are no indications that individuals are tired of their own well-being, although they may be fed up on hearing about that of other interests, even as the people of Athens exiled Aristides because they grew tired of hearing him called "the Just."

WHEN bankers turn fortune tellers, they usually become more equivocal than the oracles of ancient Hellas. Their prophecies are so hedged with qualifications that they can be interpreted to mean anything or nothing. Col Leonard P. Ayres, vice-president of the Cleveland Trust Company is unusual. His soothsayings are concise, definite, and specific. Occasionally he is flatly wrong, as he was about the automobile industry shortly after the post armistice deflation and as he was about the general trend of stock prices this year, but his batting average puts him up toward the top of the league. A year ago he made twelve forecasts for 1927 before the Harvard Committee on Economic Research, and recently he checked up on himself reporting that he was right on ten, partly right on one, and wrong on another.

Here is the Cleveland economist's forecast for 1928:

One—In the early months of 1928 interest rates will be lower than in the corresponding months of 1927, but in the latter months of the year they will be higher

Two—Bond prices will maintain an advancing trend, though the rate of advance may be reduced.

Three—During 1928, stock prices, as measured by averages which allow for splitups, such as the index of the Standard Statistics Company, will attain higher peak than any yet reached.

Four—The volume of building will be larger than in 1927.

Five—Building costs will advance during the second half of the year.

Six—Employment will improve as the year advances.

Seven—Wages will be firm, with a slight advancing tendency.

Eight—The cost of living will be little changed.

Nine—Wholesale prices will show an advancing tendency.

Ten—Iron and steel output will be larger.

Eleven—The output of automobiles, including passenger cars and trucks, will reach a new high record for all time.

Twelve—Industrial profits in 1928 will be greater than in 1927. I don't care to predict whether they will prove better than in 1926 or in 1917, the two previous

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record years. It seems to me that 1928 will reverse the trend by starting lower and permeating higher, improving in the spring, hesitating in the summer, and improving strongly in the autumn.

COMMISSION brokers in Wall Street recently observed considerable odd lot buying by flappers of SA. However, when the younger generation discovered that the ticker symbol was the abbreviation for Savage Arms and not Sex Appeal, the market move was over.

IN THESE days, when institutions—great abstract corporate bodies—eclipse individuals, Henry Ford remains a conspicuous exception. Mr. Ford is the company. And since the public is more interest in men than in abstractions, the comings and goings of the Ford Motor Company have a strange hold as news. Editors know that they are giving Ford millions in free advertising, but they cannot avoid doing so. Readers clamor for information about him.

Now that the new car is a reality and no longer a rumor, the automotive industry is free to fill the pent up public demand. Mr. Raskob believes that sales in 1928 will depend on production facilities, rather than on consumer demand. If Ford could get into maximum production in time, the output of cars, according to the General Motors seer, would reach the record-breaking figure of 5,000,000 cars, which Mr. Raskob considers the new normal.

One reason for Mr. Raskob's optimism is the fact that in 1923 the succession of years of high production started, and he believes that replacement of 1923 cars will be made on a large scale in 1928. Although statisticians figure the average life of a car as six and a half years, Mr. Raskob is of the opinion that five years has come to be the period of average expectancy. The cheapening of car prices is inducing people to swap cars more frequently and to scrap them earlier.

Mr. Raskob believes that the absence of the Ford Motor Company from the market from May to December resulted in a dammed up demand for 1,000,000 cars, but feels that part of this has evaporated. Astute men in the industry figure the average value of the 10,000,000 old Fords still in operation at $200 each, and estimate that the cars shrank $40 in value each. The statisticians figure that on the average old Fords depreciate $5 a month, so that those who have used the Model T eight months longer than they expected during the waiting period have fully absorbed the special depreciation, even though they may not have been conscious of the accounting significance of what happened to them.

The automobile industry does not expect the Ford Company to get into full production until spring. The Ford Company is less adapted to drastic changes in models than most of the other companies. Mr. Ford's company

had virtually at one fell swoop to make up the changes of the last nineteen years.

In teaching Mr. Ford the importance of style and beauty, the rest of the industry has repaid some of its debt to Mr. Ford for his pioneering leadership in the automobile industry.

OSCAR WILDE was the first to discover that nature sometimes imitates art. In its recent behavior, the stock market has demonstrated that practice attempts to catch up with theory. In his book "Investing in Purchasing Power," Kenneth Van Strum observes:

"A careful study . . . shows that the low-priced stocks are always an important factor in the good showing made by common stocks. It appears . . . that investors pay too much in the market for what are commonly considered 'safe' securities. In other words, there is a decided tendency for the price of a stock to sell at a high level merely because its dividend rate has been high. On the other hand, stocks with no dividend record, but good prospects very often sell at unjustifiably low figures."

During the major part of 1927, the stock market was selective in character, with the shares of dominant companies moving spectacularly forward while shares of weaker concerns actually receded. Toward the end of the year an effort was made to stage a rally in the weaker issues on the assumption that they had got out of line. However, competitive conditions in actual business heighten the prestige of the best-managed units.

NORMAN ANGELL, British lecturer, while in Cleveland recently, asked an automobile manufacturer when the automotive industry would reach the saturation point. The motor maker replied: "When will the millinery business reach the saturation point?"

INCIDENTALLY, Mr. Angell has invented a card game for teaching the abstruse principles of economics to school children. But since he is a Briton, the prospects of introducing his methods in the schools of Chicago are by no means alluring.

IN JUDGING the long-term future, the export trade situation should not be overlooked.

Frank A. Vanderlip, in his first speech in three years, recently indicated his belief that the United States is on the verge of a golden age in foreign trade.

The former president of the National City Bank said:

"The world's trade had been growing from 1900 to 1913 at a rate of 6½ per cent a year. If growth had continued at that rate the total world exchange of commodities would have been twice what it was last year instead of only about equaling the pre-war figures. Actually, however, Americans doubled the value of their exports in that period.

"I believe that we are on the thres-



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hold of a development of foreign trade that will make any totals thus far attained seem liliputian in the next ten years.

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UNTIL the country knows who will be the next occupant of the White House, there will be some uncertainty in business, but none of the candidates under consideration is objectionable enough to make politics a major business influence in 1928. In the past, plenty of presidential years have been prosperous, but usually there has been hesitation in the summer.

IN THE 1928 calendar of international finance, the most significant event is the fact that the maximum annual payments under the Dawes Plan begin next autumn. The experts are inclined to agree that the German Government will have the marks to turn over to S. Parker Gilbert, Agent General of Reparations, in Berlin, but another serious problem will arise. It will be difficult, if not impossible, to transfer the marks to foreign currency without upsetting German financial stability. The Dawes Committee definitely left this riddle unsolved.

Holders of German bonds in foreign countries have shown nervousness recently because of doubt concerning the transmission of interest payments to

private holders of bonds in case reparation payments cannot be transferred. Technically reparations constitute a first lien, but bankers are hopeful that the Allies will as a matter of policy permit Germany to keep up its credit by meeting interest payments in foreign currencies when due.

Until the issue is definitely settled and ceases to be one of conjecture, the market in German bonds is likely to be disturbed. While the trust department of one of the large New York banks was taking a pessimistic view of this situation, the bond department of the same institution, holding a diametrically opposite view, was underwriting new Teuton bonds.

Another bank, the National City Bank, which through its affiliated company has been active in German financing, in dealing with this issue in its current monthly letter, says:

"Let us consider how far the reparations, or even the German, authorities could reasonably go in the control of foreign exchange. Foreign exchange is created by the exportation of goods, and originates with firms and corporations engaged in trade. Much of it is created by the large industries which themselves have borrowed abroad for the purpose of financing their operations—the electrical industries, iron and steel and coal industries, the potash industry, and others. Would it be reasonable to refuse to allow them to use such shares of the exchange created by their own enterprise in foreign fields as might be required to meet the interest and principal of their own foreign debts? The answer to this question will cover most of the foreign debts owing by German industries.

"The plan recognized that imports will be necessary and clearly contemplates that they shall be paid for by exchange created by exports. Even under a system of rationing foreign exchange, imported materials for the industries and foodstuffs for the population would have to be paid for before exchange could be devoted to reparation payments.

"This is not a question of technical priority but of practical policy, and for the same reason it surely would be allowable to pay interest and principal of foreign loans the proceeds of which have been used to increase agricultural production and thereby lessen importations of foodstuffs. Thus all agricultural loans may be considered out from under any possible ban, and practically all industrial loans as well. It may be doubted if there are enough foreign loans left to haggle over, when the probable complications of any policy of rationing exchange are considered."

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Thomas W. Lamont, of J. P. Morgan

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IN the Bell Telephone laboratories a great scientific staff carries on a never-ending quest. With scientific research and experiment of the most exacting sort, it leaves no stone unturned in its search for mechanisms and methods that will better serve the telephone-using public.

A. T. & T. facts point to safety in investment:

A service that is indispensable. ¶ Earnings that insure the safety of dividends. ¶ Regular dividends for 47 years. ¶ Wide distribution of stock. ¶ An ownership of over 90% of the combined common stocks of the operating companies of the Bell System. ¶ A business and financial structure lasting enough to permit expansion and stable enough to make expansion permanent. ¶ A management conservative, yet with foresight and initiative.

Write for booklet "Some Financial Facts".

BELL TELEPHONE SECURITIES CO. *Inc.*

195 Broadway New York City

It Pays to Grow Crops of Trees

ONE hundred and seventy-four companies in this country are taking steps to grow a second crop of trees on twenty-one million acres—an area nearly as great as all the forest lands of France.

"*Progress in Commercial Forestry*," a pamphlet telling what is being done in reforestation, has been published by the Natural Resources Production Department of the United States Chamber of Commerce, following a recent survey of the situation.

This report is being distributed at cost, ten cents a copy

NATURAL RESOURCES PRODUCTION DEPARTMENT
United States Chamber of Commerce - - Washington, D. C.

& Company, in a speech before the Academy of Political Science, said, "No."

"People sometimes say," Mr. Lamont explained, "that international finance can make or unmake states, can bring on or prevent war. Fortunately or unfortunately, there is no truth in that dictum. Looking back to July, 1914, I know of no group of bankers in any one of the countries soon to be involved that was not earnestly opposing the very thought of war. But their efforts were powerless against the tides of misunderstanding and passion that finally swept the world almost to destruction. If affairs could have been ordered so that the statesmen responsible for bringing on the great conflict could also have had dumped on their shoulders the task of rebuilding the world, history might have been different! This widespread reconstruction has been accomplished first through the day-by-day endeavor of the common man. The peasant farmers of France, the artisans of Belgium and of Bohemia, the industrialists of England and Germany: they have been the ones who have been rebuilding the shaken structure of European society. And it has been upon this structure as a basis that the bankers and investors and, if you please, international finance the world over, have been basing their efforts of cooperation and reconstruction. So much, as to the efforts and methods and even ideals of international finance since the war."

THE leadership of the Guaranty Trust Company of New York in the trust company field was temporarily challenged earlier in the year by the merger of the American Exchange-Pacific Bank and the Irving Bank and Trust Company into the American Exchange Irving Trust Company. In the last published condition report, the Guaranty Trust Company was ahead of the American Exchange Irving Trust Company in total resources, in deposits, and in combined capital, surplus and undivided profits. On the other hand, with a capital of $32,000,000 the American Exchange has a larger capital stock outstanding than any other trust company in the country, and larger than any bank except the National City Bank and the Chase National Bank. The capital of the Guaranty Trust Company is $30,000,000. This explanation is made because in this department the November issue of NATION'S BUSINESS ranked the American Exchange Irving Trust Company instead of the Guaranty Trust Company as the third bank of the country from the standpoint of size.

AMERICAN investors and traders are carrying on unprecedentedly large activities with South American countries. Many believe that in the next decade South America will face an industrial renaissance.

Ray Morris, former president of the Investment Bankers' Association of America, in commenting on factors de-

termining South American credit, said:

"It is difficult to find a statistical basis on which to judge of the relative merits and demerits of loans to South American states or to measure the risks.

"It is sufficiently clear, however, that the question of credit risk does not rest on per capita debt in South America. Nor does it rest, to any controlling extent, on two other leading factors, frequently stressed in bonds circulars—a favorable balance of trade and a balanced budget.

"Past record on debt service is much more important than either of these things, and it should be said quite candidly that the past record of South American securities in world markets is, in general, bad. These countries have a very new history as independent sovereign states and most of them have emerged from a bad political condition precedent. In general, however, the experience in recent years has been good, and any analysis of credit risk must take into account three quite different periods: the financial history of South America from the middle of the last century until after the readjustments following the Baring failure (in 1890) which was a bad history; the gradually improving conditions from the early 90's up to the present time, which on the whole furnishes a good picture; and then the various elements constituting the outlook for the future."

All Dressed Up to Go

EVEN though the railroads have not lacked for distinguishing qualities to brighten their advertising, decision to decorate locomotives shows progressive thinking. And along with the gayer colors, the quaint old custom of naming locomotives is to be revived. The trend seems toward locomotives with "personality plus," a quality of demonstrated advertising value for attracting attention in this world of standardized products and services.

Twenty passenger locomotives of the Baltimore & Ohio lines, we read, are to be painted in green with gold and red striping and named for Presidents of the United States. And for the "Minute Man," crack train of the Boston & Maine Railroad, locomotives painted in buff and blue will take the place of the dull and drab engines now in use.

Cars, too, are reflecting the artistic concern to please the public. Inside, as well as outside, appearances are changing. Luxurious lounges, library and writing compartments, dancing floors and movie theaters are rolling over transcontinental roadbeds on regular schedules. Latest, perhaps, is the bedroom car, in which the familiar berth is replaced with a bed of comfortable size. Not the least of the new conveniences is the "servidor," a box-like receptacle for shoes, which is accessible to the porter from the outside.

Practical minded as all these revivals and revisions may seem, they also accent the picturesque quality of railroading.

"Heads it's Portland - -
Tails it's Boston" - -

the flip of a coin named Portland in 1845



Now America's 14th Port - Her 22nd City

PORTLAND or Boston which name should it be? Portland's founders, A. L. Lovejoy and F. W. Pettygrove, each wanted his future city named after his old home town. The flip of a coin decided the issue—Portland won.

What a provident name Portland has proved to be! For nowhere under the sun does "port" meet "land" more truly. The Great Columbia River Basin, second largest in America, brings the wealth of four states to Portland—wealth that has made Portland America's first lumber shipping port and lumber manufacturing city—the second wheat exporting city of the land—the second apple shipping port and second as a primary wool market.

The First National Bank of Portland, ever since its founding in 1865, has been a major financial center of Portland's commerce. It and the Security Savings and Trust Company, its affiliated institution, have been of vital assistance in helping many Northwest industries to become established, grow and attain the position of national importance which they hold today. *Constructive Leadership* in serving the community has always been the policy of The First National Bank. With no little pride this bank reviews the part it has played in making Portland America's 14th Port and 22nd City.

* * * * * * *

Leading American Ports

(1) New York, (2) Baltimore, (3) New Orleans, (4) Norfolk, (5) Philadelphia, (6) Los Angeles, (7) Newport News, (8) Buffalo, (9) San Francisco, (10) Boston, (11) Galveston, (12) Houston, (13) Toledo, (14) **PORTLAND**, (15) Charleston, (16) Port Arthur, (17) Sandusky, (18) Seattle, (19) Baton Rouge, (20) Mobile. Portland has attained the position of 14th Port in foreign tonnage in the entire United States.



Largest American Cities

(1) New York, (2) Chicago, (3) Philadelphia, (4) Detroit, (5) Los Angeles, (6) Cleveland, (7) St. Louis, (8) Baltimore, (9) Boston, (10) Pittsburgh, (11) San Francisco, (12) Buffalo, (13) Washington, (14) Milwaukee, (15) Newark, (16) Seattle, (17) Minneapolis, (18) New Orleans, (19) Cincinnati, (20) Kansas City, (21) Indianapolis, (22) **PORTLAND.**

The FIRST NATIONAL BANK of PORTLAND OREGON

Security Savings and Trust Company AFFILIATED

THE FIRST NATIONAL BANK WEST OF THE ROCKIES ESTABLISHED 1865



"I shouldn't decide it alone"

A MAN with a few thousand dollars to invest has a perplexing range of possibilities before him. Values must be appraised, past records studied and future trends estimated. But the investor should not try to decide alone. He can get the considered opinion of a world-wide investment organization—it is his for the asking. National City judgment as to which bonds are best for you is based on both strict investigation of the security and analysis of your own requirements.

The National City Company

National City Bank Building, New York

OFFICES IN 50 AMERICAN CITIES · INTERCONNECTED BY 11,000 MILES OF PRIVATE WIRES · INTERNATIONAL BRANCHES AND CONNECTIONS

Now Ready!

The 1927 NATION'S BUSINESS Index

A copy will be sent you free for the asking

Business Fixes Its Tax Plan

THE National Chamber's referendum on a tax reduction program met the approval of member organizations in the largest vote ever recorded.

This large vote clearly demonstrates the interest of American business men in taxation, especially in the reduction of the corporation income tax. Two of the items in the program—those relating to the federal estate tax and the war excise taxes—had been approved previously by the Chamber's membership. The other three recommendations, now made a part of the taxation policy of business, complete the program. As pointed out in the November issue of NATION'S BUSINESS, the five recommendations as they now stand are:

1. There should be immediate reductions and repeals in federal taxation, which, if made effective, are estimated to amount to $400,000,000 in the first full year after the changes are made. The result of such reduction would not exceed $200,000,000 in the fiscal year, 1927–1928.
2. The corporation income tax rate should be reduced from 13½ per cent to not more than 10 per cent, with the reduction applicable to net income of 1927
3. The remaining war excise taxes levied on particular businesses should be repealed.
4. The federal estate tax should be repealed, leaving this field of taxation to the various states.
5. Congress should provide full opportunity for the Joint Congressional Tax Committee to perfect proposals for revision of federal tax laws and their administration.

Proposals Drawn Up With Care

THESE proposals were drawn up by a committee of business men, tax experts, economists and lawyers after study of the Government's fiscal program. The large yearly treasury surpluses show plainly that the Government is taking more money from the public than is necessary to run the Government and retire the public debt as already provided for by law. While no deficit is anticipated should these reductions be made effective, it is obvious, in view of the credit standing of the Government and the low interest rates it can obtain, there would be no great cause for alarm even though a deficit should arise.

Lewis E. Pierson, president of the National Chamber, in commenting on the referendum, said:

"Taxation reduction and governmental economy must go together. All proposals should be scrutinized carefully and administration of appropriations should be carried out efficiently. The Chamber recognizes the prospect that new demands will have to be met by the Government, but the country is growing and the natural increase of revenues will produce funds needed for all worthy new projects. An equitable tax system,

These self-tapping screws save 50% to 75% of metal assembly costs!

BUT that is not the only advantage resulting from the use of these unique Screws—they also speed up production and make better fastenings.

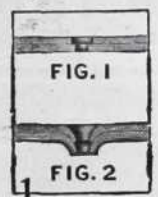
These are not mere claims. They are facts proven by the experience of more than 50,000 manufacturing concerns, including the leaders in every branch of the metal working industry.

For joining sheet metal and making fastenings to sheet metal

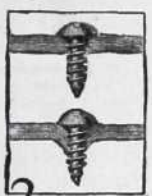
PARKER-KALON Hardened Self-tapping SHEET METAL SCREWS provide the easiest, quickest and by far the cheapest method yet developed for doing such work. These Screws cut their own thread in the metal as they are screwed in. They eliminate the costly tapping operation and also do away with tapping plates and other auxiliary devices. In many plants the savings thus effected run into thousands of dollars a year.

Furthermore, Hardened Self-Tapping Sheet Metal Screws make more substantial fastenings than machine screws, stove bolts, etc.

Easy to use—no skill required:



1 Punch or drill a hole as in Fig. 1: or pierce a hole as in Fig. 2



2 Turn in the Screw with a screw driver.

Miiiions of Hardened Self-Tapping Sheet Metal Screws are used in the production of automobiles and automobile accessories, railway cars, ships, aeroplanes, metal buildings, metal furniture, metal refrigerators, stoves and furnaces, metal windows, doors and partitions, cornices, skylights and scores of other things made entirely or partly of sheet metal.

They can be furnished in sizes to suit all requirements.

PARKER-KALON
HARDENED SELF-TAPPING
Sheet Metal Screws

PATENTED
APR. 1, 1919 – No. 1299232 — MAR. 28, 1922 – No. 1411184
AUG. 14, 1923 – Re. 14651 & 8 — FEB. 10, 1925 – No. 1526102
OTHERS PENDING

For making permanent fastenings to iron, brass and aluminum castings, steel, Bakelite, etc.

PARKER-KALON Hardened Metallic DRIVE SCREWS cut their own thread in the material as they are hammered in. They eliminate taps and tapping operations, thus greatly reducing costs and speeding up production. Furthermore, these unique screws make stronger fastenings than machine screws or escutcheon pins. They won't work loose even under constant vibration.

Easy to use—no skill required:



1 Drill a hole



2 Hammer in the Screw

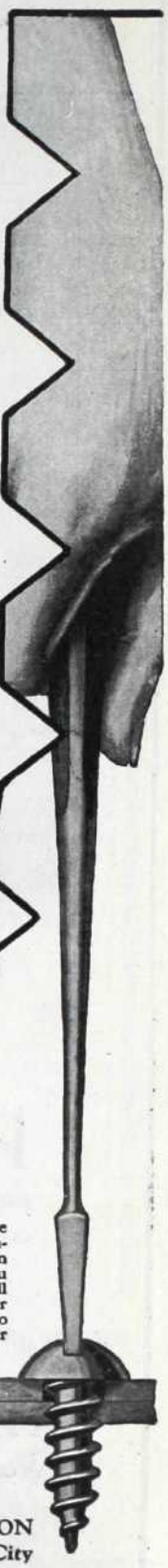
There are hundreds of applications for these time-and-labor-saving Screws . . . from attaching a name plate to making assemblies where the strength of the fastening is the important consideration. The fact that they are used on a large scale by leading manufacturers of automobiles, machinery, and electrical and mechanical devices of every description, is conclusive proof that these Screws cut costs, speed up production and make better assemblies.

They can be furnished in sizes to suit all requirements.

Parker-Kalon
Hardened Metallic
Drive Screws
PATENTED JAN. 29, 1924 - NO. 1482151
OTHERS PENDING

Send for FREE Samples

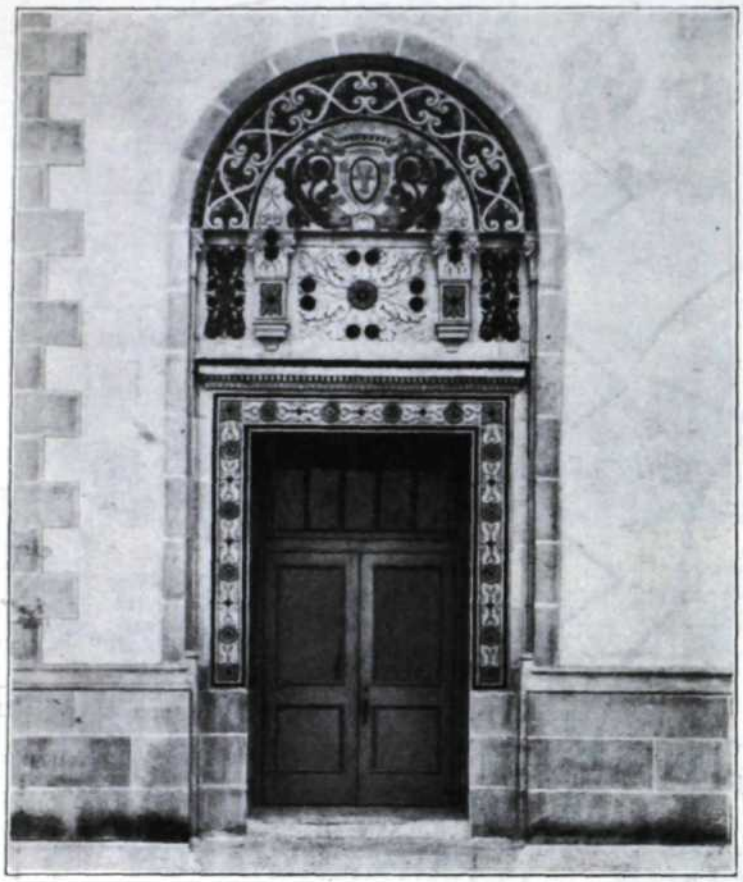
Try these remarkable Screws. Prove their economy and utility on your own work. Tell us what you want to fasten and we will recommend the proper Screws for the work and also send you samples together with full information.



PARKER-KALON CORPORATION
202 Varick St., New York City

TERRA COTTA

for Color in Public Utility Buildings



Entrance feature, Telephone Building, Miami, Fla.
Marye, Alger & Alger, *Architects*
Executed in polychrome Terra Cotta

POPULAR good-will is an important factor in the prosperity of public utility companies. This means beautiful buildings by competent architects and colorful treatment which will arrest admiring attention.
Use Terra Cotta.

NATIONAL TERRA COTTA SOCIETY
19 West 44th Street **New York, N. Y.**

(On behalf of the Terra Cotta Industry in the U. S.)

with the present inequalities eliminated, will help to assure that degree of prosperity and growth which will enable the taxpayers of the country to provide the means of necessary new constructive expenditures."

Again, Synthetic Rubber!

SYNTHETIC rubber is nothing new to the chemist. Back in 1908 samples of it were exhibited at a meeting of the British Association in York.

Recent reports from Germany are that they hope to have it commercialized within a year or two. That it is not yet commercialized.

Isoprene is the basis of rubber. The price at which it can be produced is the determining factor in the commercial production of synthetic rubber. It must be cheap, and the supply plentiful.

One method of producing it is through the destructive distillation of turpentine. That method might be feasible if the price of raw natural rubber were extremely high. A source that gives more promise of meeting all requirements is available in bituminous coal.

The German Dye Trust, it is presumed, will produce synthetic rubber by means of what is known as the Bergius process of hydrogenization of coal. According to available information, however, there have been perfected two other processes which are superior to the Bergius process, in so far as the production of isoprene is concerned.

The Royal Dutch Shell Company controls one of these processes. It is reported to be building a conversion plant in Holland. An American enterprise—the Coal Conversion Corporation of New York—has another process, and is about to erect its first commercial plant. In addition to these, there are the plants of the Consolidation Coal Company, now in operation, at Fairmont, W. Va., and the proposed plants of the International Combustion Engineering Company at New Brunswick, N. J., and the Lehigh Briquette Company at Fargo, N. D., which are apt to produce limited quantities of isoprene.

The processes used by the first two are likely to produce isoprene in a consistently substantial volume and at a lower cost than can be accomplished by the Bergius method. Moreover, they are also claimed to yield a very valuable material which can be used advantageously, and in large quantities, to replace the carbon-black that is used by the tire industry.

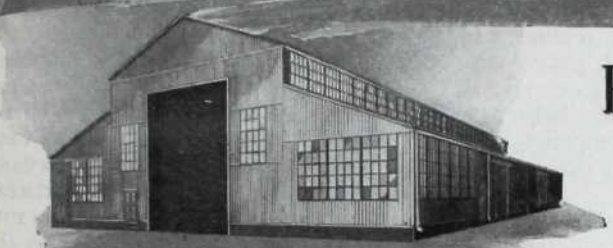
The synthetic rubber industry will develop concurrently with the production of isoprene. With our bituminous coal resources second to none, and a superior process, there is every prospect that the industry will develop here—and to such an extent that we shall have little or nothing to fear from foreign domination.

The commercialization of a rubber-like synthetic material depends largely upon the price level at which natural rubber is held.—P. S.

BLAW-KNOX INDUSTRIAL BUILDINGS

MADE FROM COPPER BEARING GALVANIZED STEEL













Permanent Firesafe Construction *at Low Cost*

INDUSTRY is today using Blaw-Knox Standard Steel Buildings with the broad acceptance that features American business when it has found something that is exceptionally good. This means that Blaw-Knox Buildings have passed the tests of time, quality and economy.

From the ashes of fires, Blaw-Knox Buildings rise to quickly defeat losses in production. Entire plants, extensions, additional housings for men, materials and equipment are delivered and erected with amazing surety and speed.

Blaw-Knox Standard Unit Construction gives you just the building you need, rustproof, fire-safe, and weathertight. Buildings with 10 year guaranteed roofs of any one story height and any length and width.

Initial low cost, low maintenance costs, insurance savings, high resale value and flexibility to change and movement add to the industrial value of these buildings the minute you begin using them.

Send for the Blaw-Knox Building Catalog and note the nationally known firms, who repeatedly add to their ownership of Blaw-Knox Standard Steel Buildings. Ask our nearest branch for Bulletin 992.

BLAW-KNOX COMPANY
632 Farmers Bank Building, Pittsburgh, Pa.

New York Baltimore Chicago Buffalo Detroit
Cleveland Birmingham Philadelphia San Francisco

Export Division
MILLIKEN BROS.-BLAW KNOX CORP.
342 Madison Avenue, New York City

P-555

BLAW-KNOX BUILDINGS
Lowest Cost Per Year

Cut Maintenance Painting Costs 60% to 80%



Paint by Machine

Owners of Factories, Public Buildings, Hospitals Spray Paint at a Fraction of Hand-Painting Costs!

An inexperienced hand can quickly learn to cover 1,000 or more square feet an hour. The force of the spray penetrates cracks, splits, and crevices no bristles can possibly reach. All surfaces, no matter how rough, are covered as quickly as a smooth surface.

The Binks Spray Gun, famous throughout industry for the finishing of fine products, is supplied with each Binks Portable Spray Painting Outfit. This gun will handle any oil paint, lacquers, graphites, aluminum paints, etc.

A Paying Investment

The outfit will pay for itself quickly. With it you can repaint interiors and exteriors frequently at a low cost;—you can also have your handy man re-finish furniture, equipment, trucks, wagons, etc.

Details and prices of the Binks Portable Spray-Painting Outfit mailed upon request. Write

BINKS

SPRAY EQUIPMENT CO.

Dept. A - 3128 Carroll Ave., Chicago

Offices in Principal Cities

When writing please mention Nation's Business

"Fair" Machinery Selling

By Roberts Everett

IT COSTS, "terrifically" some men say, to "peddle machinery." It costs to traverse the country to bring the gelatine contracting season of wholesale confectioners, ice cream manufacturers and bakers to a conclusion. It costs to sell butchers' storage cases, and trench diggers for general contractors.

Now there are obviously two ways of buying either a loaf of bread or an autoclave for a chemical plant. One is for the baker's wagon to stop at the door or for the equipment manufacturer's engineering salesman to call around with catalogs, blue prints and performance data in his portfolio. The other is for the buyer to drop in at the baker's, or to go to the equipment company's plant or show rooms, and pick out what he wants.

Is the general cost of distribution of industrial equipment and supplies capable of appreciable reduction by the adoption of the latter method in a reasonable percentage of cases, as against the former? A number of industries are actually providing what appears to be a definite answer—"Yes"!

The frame in which the answer sets is almost as old as coherent business activity itself—the frame of the industrial exposition.

Naturally a question comes: Where is there economy in 5,000 potential buyers traveling to inspect refrigeration equipment for a milk products plant as against the equipment company's sending fifty salesmen to visit the 5,000 buyers? Another question, also: Does it really cost any more to send the fifty salesmen to call upon 5,000 buyers than to maintain the fifty salesmen, at the same time making an expensive presentation of products, for five days or ten days or two weeks at an exposition?

Two Birds With One Stone

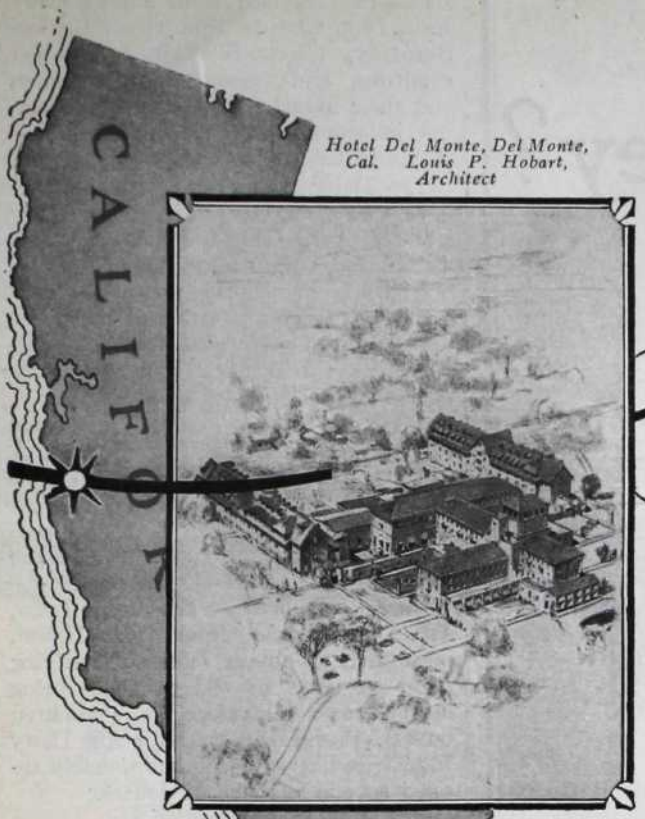
THE answer to the first question is that not merely do the 5,000 buyers travel to a central "fair" to inspect refrigeration equipment, but also to inspect there at the same time pasteurizing equipment, homogenizers, heating, cooling and storage tanks, power plant equipment, pumps, filters, butter churns, ice cream freezers, cheese vats, condensing equipment—all told several hundred different but necessary articles, not only of machinery but of staple materials and supplies. The answer to the second question will come later.

The National Machine Tool Builders' Exposition was sponsored and controlled by the National Machine Tool Builders' Association. Some 2,000 tons of mechanical production machinery, and accessories thereto, were disposed beneath one roof. Such a large part of this equipment was in actual operation that the rated electrical load required for daily booth use was approximately 4,000 horsepower. Some 180 companies displayed and demonstrated their products for five days. It required some 2,300 men to represent these exhibitors.

But in excess of 8,000 representatives



"Cash and carry" selling of industrial equipment is becoming a fact, because it is good economics. A section of the Dairy Industries Exposition held at Cleveland recently



Hotel Del Monte, Del Monte, Cal. Louis P. Hobart, Architect



Equitable Trust Co. Bldg., New York City. Trowbridge and Livingston, Architects

As easily in . . . CALIFORNIA as in NEW YORK

AS easily in Maine as Florida, Chicago as Dallas—Jenkins Valves are obtainable throughout America.

Mill supply dealers and plumbing and heating supply houses everywhere carry them.

This nation-wide distribution means prompt service in supplying the wants of the valve user.

The Hotel Del Monte, Del Monte, California, and the Equitable Trust Co. Building, New York City, illustrated above, are typical examples of the buildings in which Jenkins Valves are used.

Valves marked with the Jenkins Diamond are specified by engineers and architects, because these men know Jenkins Valves represent an investment in assured service—true valve economy.

Jenkins Valves are made of bronze and iron in Standard, Medium and Extra Heavy pattern and include valves for plumbing, heating, fire protection, power plant and industrial requirements. Our Sales Engineering Division will be glad to answer any queries you may have regarding valves for any service



Fig. 853
Low Bonnet Radiator Angle Valve, male union



Fig. 651
Jenkins Standard Iron Body Gate Valve, inside screw and yoke

JENKINS BROS.

80 White Street New York, N. Y
524 Atlantic Avenue Boston, Mass
133 No. Seventh Street Philadelphia, Pa
546 Washington Boulevard Chicago, Ill

JENKINS BROS., LIMITED
Montreal, Canada London, England

FACTORIES:
Bridgeport, Conn. Elizabeth, N. J. Montreal, Canada

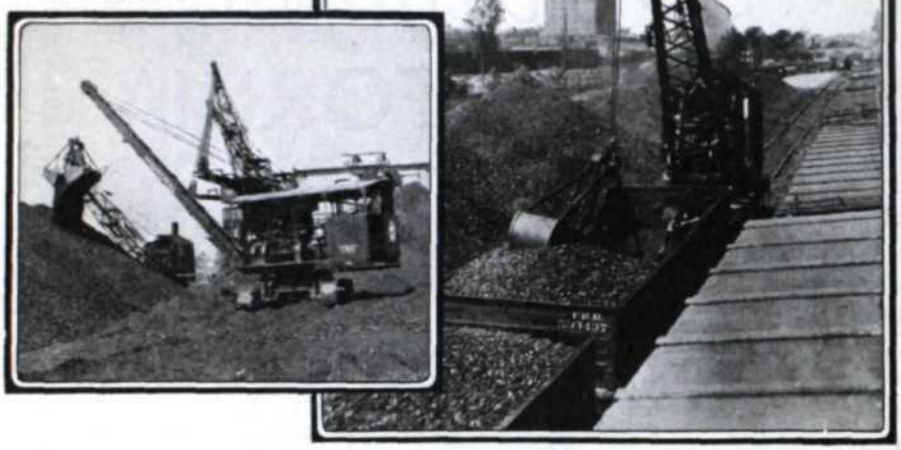


Always marked with the "Diamond"
Jenkins Valves
SINCE 1864

Do Your Handling Costs Play Hookey?

Products

Locomotive Cranes, 7½ to 60 tons capacity, Wrecking Cranes, 75 to 200 tons capacity, Gas Shovels, ½ to 1¼ yards capacity, Bridge Cranes, Heavy Dock Machinery, Crawler Cranes, Pile Drivers, Belt Conveyors, Chain Conveyors, Grab Buckets.



Handling costs, like school boys, often get beyond control and are lost sight of in the bigger scheme of a large manufacturing schedule. Yet production authorities say that handling is one of the most costly parts of making and one place where big economies may still be effected.

For handling material in the yard, unloading of castings, bars and scrap, stocking of coal, loading of finished product and a score of other uses, no equipment will equal a locomotive crane in speed or operating economy.

If there is any doubt in your mind as to where you stand on handling costs get in touch with one of our nearby engineers. He has been of service to many companies with problems identical with your own. And you can rely on his recommendations because of the universal satisfaction Industrial Brownhoist equipment has given for half a century.

Industrial Brownhoist Corporation

General Offices: Cleveland, Ohio.

District Offices: New York, Philadelphia, Pittsburgh, Detroit, Chicago, St. Louis, San Francisco, New Orleans, Bay City, Mich.

INDUSTRIAL BROWNHOIST

When writing to Industrial Brownhoist Corporation *please mention Nation's Business*

of companies using machine tools and accessories traveled from almost every state, from Canada, from Great Britain, Germany, Czecho-Slovakia and other countries, and registered their names and their industrial or technical capacities in order to inspect this great display. Order-placing was heavy.

The Dairy Industries Exposition was developed and controlled by the Dairy and Ice Cream Machinery and Supplies Association, an annual event, of such requirements in display area and hotel facilities that fewer cities than can be counted on one hand are able to accommodate it. It utilized some 4½ acres of floor. Its exhibitors numbered 300.

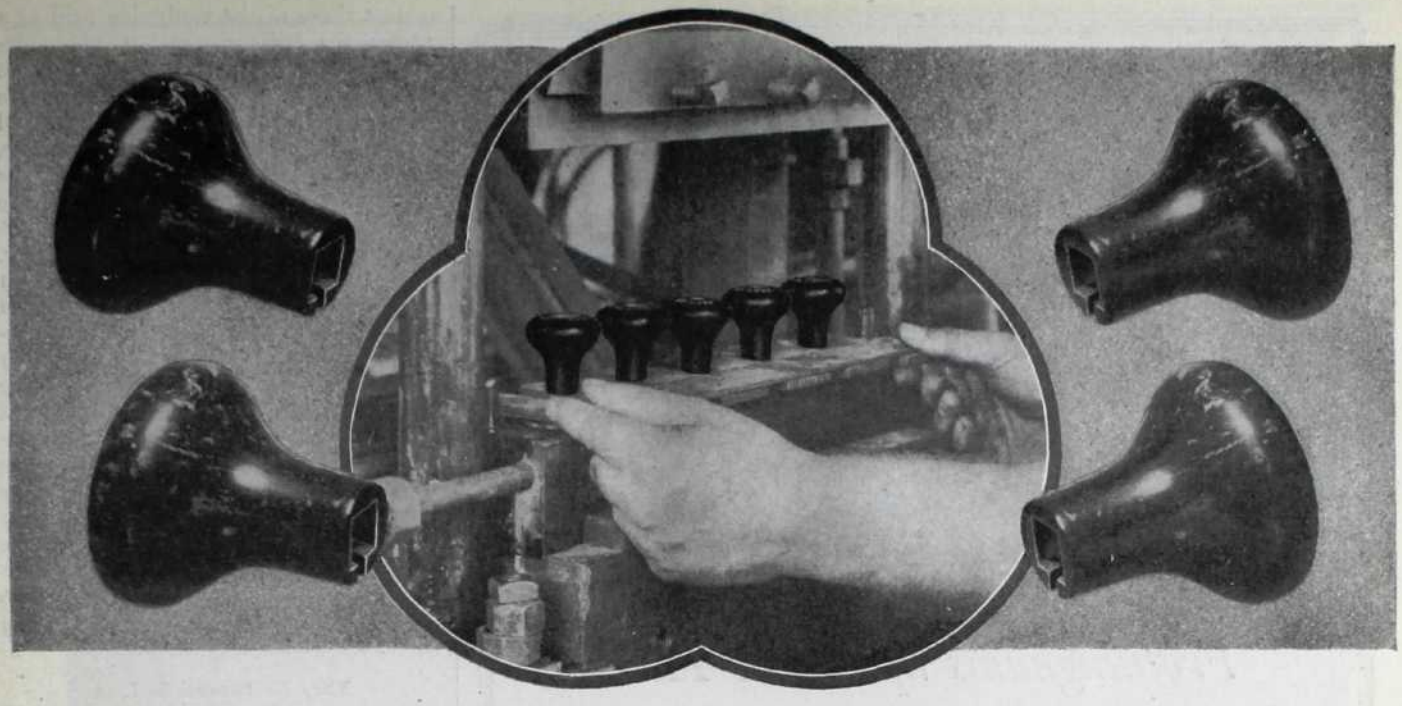
A conservative estimate of the value of the products which they displayed is $1,250,000. Some 3,000 men wore booth-representative badges. Some 6,000 responsible representatives of dairy products manufacturing establishments in the United States, Canada, the Argentine, Austria, Denmark, England, India, Japan, Roumania, Spain and Hawaii registered to obtain badges classifying them as users of the products being demonstrated—therefore, as potential buyers. Business transacted at the Dairy Industries Exposition unquestionably totaled several millions of dollars.

Where Both Parties Meet

MANUFACTURERS of equipment went to the exposition (one company maintained ninety-six representatives there) to display their goods for sale; dairy products manufacturers went there to examine goods essential to their businesses, and to buy, if needs existed and if prices were in line.

Now for some light upon the second question posed above. The heaviest total of all costs of participation by a single manufacturer of equipment in either exposition probably was less than $40,000. Such a company, before the break-up of the exposition, quite possibly booked from $400,000 to $1,000,000 worth of business; moreover, it obtained definite leads which in the ensuing weeks would bring it an additional substantial volume of sales.

It could total up its one week's gains (several of its representatives, of course, were busy for several weeks, in preparing and getting up the display) somewhat in this fashion: (1) direct sales probably sufficient to pay direct expenses; (2) "leads" to substantial, fairly immediate additional business; (3) an automatic reduction, inducive to real sales economies, of its general sales prospect list (some on that list would have just placed their orders; others would have reliably given information that their orders had been placed with other manufacturers in the show; still others would have clearly indicated that they were for a given period not in the market); (4) an unreckonable promotional gain in a displaying of products to thousands of capable and interested persons; (5) an unconscious but inevitable checking of company products and esprit



"But we've always done it that way"

PRECEDENT has ever been a barrier to progress. To be skeptical of new methods, new devices, new materials is a common failing. "But we've always done it that way" is only too often considered justification for continuing obsolete, uneconomic practices. Yet, despite obstacles, innovations that deserved success have succeeded. The use of Bakelite Molded for the handle of the Multipost Stamp Machine is a typical example.

Stamps of all sorts have always been made with wood handles, so at first wood handles were used on the Multipost. Forming and finishing these wood handles required several operations and then they were not as good nor as durable as they should be. In the case of the Multipost, wood handles could only be obtained with a round hole, although they had to be fitted to a square plunger.

The Multipost Company first tried turning and threading the square plunger to fit the round hole. Then they tried machining a square hole in the handle to fit the square plunger. Neither method was satisfactory. Disregarding precedent, and changing to Bakelite Molded made it possible to complete five of these handles in a single operation, with square holes accurately formed, and with a richly colored, lustrous surface that requires no subsequent finishing nor polishing. It was also possible to mold "operating instructions" on the top of each handle, in sharply defined, easily read lettering.

Bakelite Engineering Service

In the production of some part or device, almost every manufacturer could profit through the use of Bakelite Molded. Bakelite engineers, located in industrial centers throughout the country, and Bakelite research laboratories, are equipped to cooperate with manufacturers in adapting Bakelite Molded to their particular needs. We invite you to take advantage of this service and to write for a copy of Booklet No. 42, "Bakelite Molded."

BAKELITE CORPORATION

247 Park Avenue, New York, N. Y. Chicago Office. 635 West 22nd Street
BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin Street, Toronto, Ont.

BAKELITE

REGISTERED U. S. PAT. OFF.

THE MATERIAL OF A THOUSAND USES

"The registered Trade Mark and Symbol shown above may be used only on products made from materials manufactured by Bakelite Corporation. Under the capital "B" is the numerical sign for infinity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products."



The

Frothinghams up on the Hill

The

Joneses west of the Tracks

The Frothinghams on the hill may use more electricity, water, or gas than the Joneses west of the tracks, but the quality is not graded; each is entitled to the best, and Jones pays at the same rate as Frothingham for the amount he uses.

The same quality to everybody, at the same price for the same quantity.

Public Service, more than any other business, must be conducted on the principle of democracy.

An Industry That Never Shuts Down

AMERICAN WATER WORKS AND ELECTRIC COMPANY
INCORPORATED

against those of the equipping field as a whole; (6) criticisms and recommendations about company products from actual users, made in an atmosphere stimulative of technical comment and experience-giving; (7) the getting done, all at once and in one place, of a volume of necessary, although minor, "trouble shooting" among current customers.

A brief cut-back now to the buyer. It is reasonably obvious already that he can have made his visit to either of these expositions a money-saving venture, because of two basic facts: (1) presumably he has buying to do, of one sort or another related to the products shown in the exposition, and of a reasonable variety of them, because no other type of visitor is induced to come—the show is held strictly for the user of the products assembled in it; (2) the show includes one or more variety or brand or type of practically every item which the using, potentially-purchasing visitor's business may require.

They Go Because It Pays

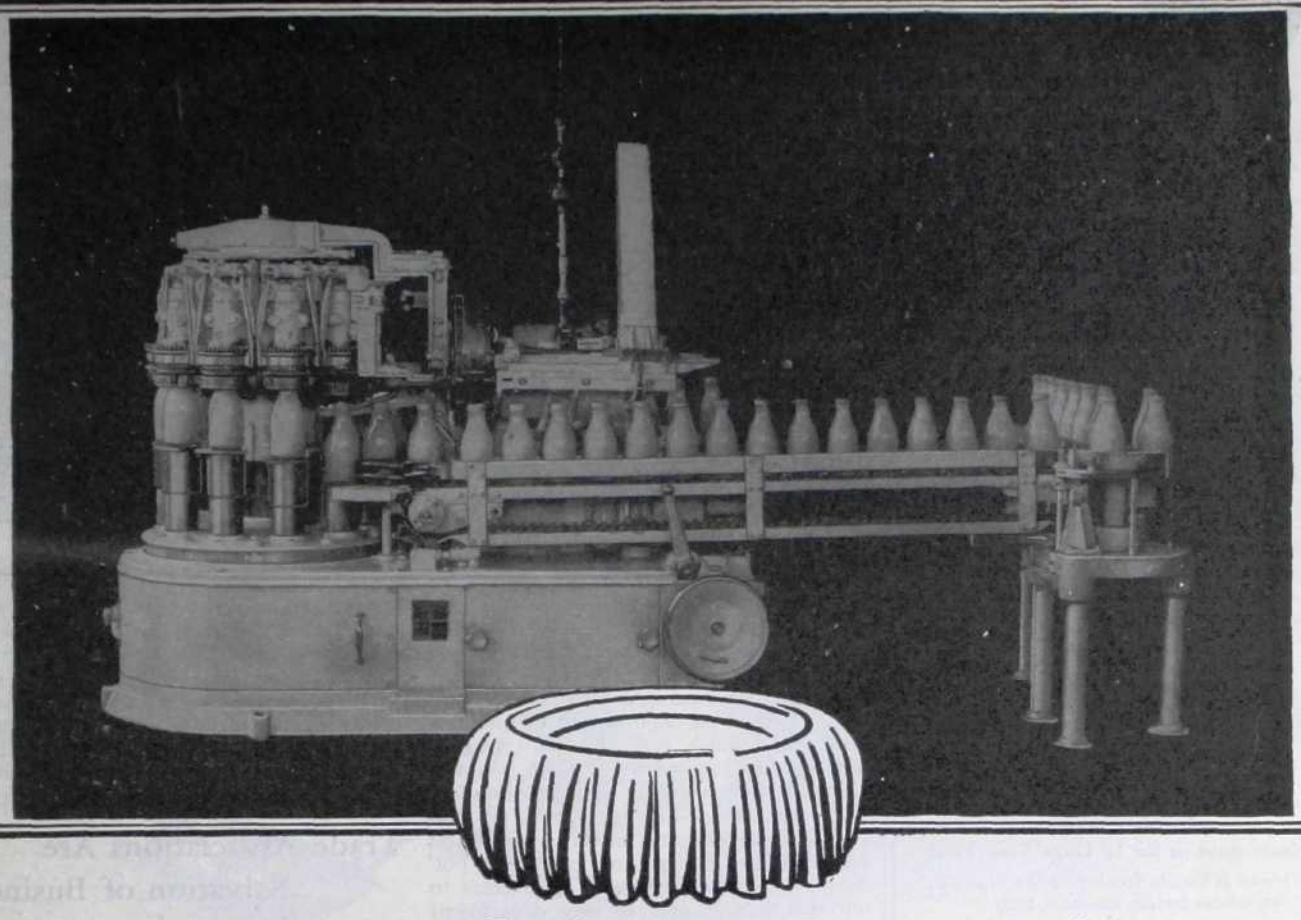
BUT does the visitor make his visit pay him? Persons acquainted with expositions of the type of the two described say "Yes." His very presence at the show is really the first, and also the final, necessary affirmation.

Mere good times, a half-hearted carrying over of the "convention spirit" to a business exposition, might induce the attendance of small numbers, but not of groups of 6,000 and 8,000, including many executives with high earning powers and responsible duties, nor of parties of serious gentlemen, faced with reconstruction problems, from Austria and Germany and France.

The total of purchases at such an exposition as either of the ones described is almost impossible to obtain in figures. Competing manufacturers hesitate to report definite sales totals. But exhibitors hasten to reserve their areas in each succeeding show! The trade exposition is distinctly developing as a reducer of distribution cost.



When it can't be carried in a sample kit, it may often be sold by exposition. A section of the Machine Tool Builders' show at Cleveland



Developed from dissatisfaction

—to do a more thorough job

Typical Machines Developed from Dissatisfaction

Standard Cigarette
Fresh Work Cigar
Soft Work Cigar
Cigar Sorting
Stripping & Booking
Milk Bottle Sealing
Standard Breadwrapping
Duplex Wrapping
Wrapping & Sealing
Automatic Sacking Scales
Automatic Net Weighing
Ogden Multiple Duplicating
Genest Fur Felting
Cigar Foiling
Fee Process Filling & Weighing, etc.

WHEN the people grumble, governments fall—dissatisfaction is the basis of new ideas. This is as true of mechanical achievements as it is of politics.

When the housewife grew discontented with old-fashioned methods of capping milk bottles engineers and dairymen alike burned the midnight oil in study.

Out of the far-flung cry for the utmost refinement in sanitation has been developed one more marvelous automatic machine. The Lakewest Automatic Milk Bottle Sealing Machine turns flat discs of multiple-ply spruce paper into one piece bottle covers which thoroughly protect the milk.

This cover is called the "Westlake Sanitive Seal" taking the name of the expert who has spent many years in working out a method of completely covering the entire lip of a milk bottle with a sanitary self-contained paper seal.

Thus out of a spirit of discontent was a new machine developed to do a more thorough job. In your own field is there a similar spirit existing which might be allayed by an AMF "producing partner?"

This company specializes in designing and building automatic and semi-automatic machinery, or building machinery to customers' specifications on a contract basis. Its facilities include 500,000 sq. ft. of manufacturing space, over 100 engineers and a corresponding force of highly skilled mechanics.

AMERICAN MACHINE & FOUNDRY COMPANY
5502-5524 SECOND AVENUE, BROOKLYN, N. Y.
Representatives in London, England, and Shanghai, China

AUTOMATIC MACHINERY



Sturdy, dependable, long lived; in its new lustre-black finish and Mandarin red handle.

AMERICAN VISIBLE NUMBERING MACHINE

Model 41 (6-wheel)

$12 in U.S.A.

Slightly more in Canada

You see the number *before* it is printed. The American is the ONLY visible machine.

Prints—Consecutive Duplicate Repeat

654321

Impression of Figures

Over 100 other models for every industrial use.

BY THE MAKERS OF

ALL METAL AMCODATER DATING MACHINE

The handy desk companion that speeds work

$2.95

At leading stationers, rubber stamp dealers, or mailed on approval

American Numbering Machine Co., Brooklyn, N.Y.

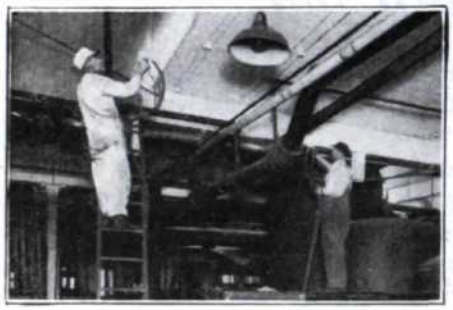
Please send us for 10 Days' Free Trial

☐ Model 41 Visible Numbering Machine, $12.
☐ Amcodater Dating Machine, $2.95.

Name.....

Address.....

City..... State..... N. B. 1



Paint this proven *economical* way

Matthews Mechanical Painting Equipment has brought a new day of economy in maintenance painting. Due to the remarkable savings in labor costs it effects, much more coverage can be secured at no extra cost.

Write for this booklet

"Mechanical Painting for Maintenance" gives comparative costs for painting different kinds of surfaces and explains savings you can expect by using Mechanical Painting Equipment. Your copy now ready. Write for it.

W. N. MATTHEWS CORPORATION
3758 Forest Park Blvd., St. Louis, U. S. A.

MATTHEWS
MECHANICAL PAINTING
EQUIPMENT

WHAT OTHER EDITORS THINK



John Peter Zenger is tried and acquitted in New York, and the freedom of the press is established—1735

NEW DATA are added by *Iron Age* to the literature of "fringe markets." Pointing out that cast iron was once used for beams and ornamental fronts on large hotels and business structures, an editorial asks: "Should an organization of foundrymen spend much time now in trying to recover that lost market? Cast iron was used for railroad rails about a hundred years ago, and today many miles of railroad in India carrying modern engines and rolling stock are laid on cast iron 'pot' sleepers. Would it be wise to attempt to tell the maintenance of way department that it makes a mistake in specifying open-hearth steel rails, or would it be a better plan to study the conditions existing in India, which warrant the survival of cast iron in the permanent way, and then look for other places where similar economic conditions prevail?

"Obviously 'campaigns to recover lost markets' are not always worthy of support. Sometimes markets are lost for such good and sufficient reasons that the clock would have to be turned back in order to recover them. Witness the zinc bath tub. . . . In order to replace business that may be lost to better situated materials and processes, a campaign in fields new to cast iron will prove far more prolific than an effort to rehabilitate cast iron store fronts and railroad rails.

"They profit most by knowing most about the potentialities of their own process or material, and then blazing away for business in those lines for which they are best fitted, whether they now occupy these particular fields or have to oust another process less fitted to survive."

Iron Age estimates that "an annual market of $190,000,000 might be developed if steel were to displace wood entirely for frame construction. If steel had been used entirely for the framework, small house construction in 1926 would have taken approximately 1,400,000 tons of light structural steel, or about 35 per cent of last year's production of structural shapes."

How Valuable Are Predictions?

"ALL-STEEL houses are coming," says *Making Markets*. "Prediction is a risky thing. Yet almost everything that has happened in the world so far has been predicted. Not all predictions have materialized, however, and because such failures are in the majority, predictions are regarded more or less askance.

"So the reader will be pardoned if he entertains doubts at the prediction that most of us will live to see all-steel houses on every hand. This writer believes that there is a definite trend now setting in which will result beautiful, practical, lasting houses made entirely of steel." The biggest obstacle, according to the writer, is tradition.

Trade Associations Are Salvation of Business

CHEMICAL exports are now 142 per cent greater than the average pre-war year, according to *Index*. This growth has been due to the tremendous demand for chemicals in this country, which is the largest consumer of chemicals in the world.

"This demand results from the important part chemical engineering plays in the industrial life of this country. Advances which have been made in steel production, in the development of metal alloys, in the creation of new textile materials, substitutes for leather and improved paints and lacquers are due to the work of chemists in the laboratory.

"In 1914 the plastics industry (moulded products, such as Bakelite and hard rubber) had an output of $14,000,000 which has since tripled in value, not including rayon. The industries which have developed primarily since the war are rayon and dyestuffs. The rayon output alone in 1925 exceeded $88,000,000 in value, and nearly $35,000,000 worth of dyestuffs was produced in that year.

"Europe is the principal export market for American chemicals, primarily paints and medicinals. The recent joint arrangements made by European chemical interests will undoubtedly affect the competitive American shipments. Approximately 36 per cent of American chemical exports went to Europe last year. The Far East received 23 per cent of the total, Canada 13 per cent, and South America 12.

"The export of 6 per cent of American chemical products compares with an export ranging from 25 to 33 per cent of the production of this country's chief competitors—Germany, France and England; and this is despite the fact that during the war the United States became the largest chemical exporter in the world. Today Germany ranks first as a result of its study of synthetic chemicals. The total



RUSH — WITHOUT THE PENALTIES OF RUSH

Unusual advantages of Domestic Electric service are never better demonstrated than in those production emergencies which every builder of motor driven appliances is constantly meeting today. Buyers of Domestic motors find that "rush" orders are executed with speed and precision that are possible only in a highly flexible organization, manned by an experienced personnel. Nor do such customers pay the penalties usually imposed when men and machinery race with the calendar. Never does workmanship—quality—inspection—relax for an instant, though weeks may be clipped from a normal manufacturing schedule.

This—because the Domestic Electric Company builds *special* motors exclusively, and because Domestic is organized to meet the individual requirements of any and all customers without disrupting manufacturing routine. Functioning literally as a department of any business it serves, the Domestic organization is ready at all times to respond to emergency calls for experimental work, for quick changes in design, or for exceptional speed in production.

Visit the Domestic Electric factory; consult the Domestic organization regarding any fractional horsepower motor problem in the household, commercial or industrial fields.

A manufacturer of industrial equipment, planning radical changes in the design of his product, had only 45 days to get it on the market in order to take advantage of the best selling season. Yet it was impossible to tell in advance what the motor requirements would be.

Certain mechanical conditions, however, became apparent as the appliance was developed. This information was passed on to Domestic Electric engineers, and in ten days they sent the manufacturer a sample—mechanically correct, though experimental electrically. This sample was tested, and electrical requirements were definitely determined. Two days later a second sample, requiring minor changes for final production was in the manufacturer's hands.

This motor, it chanced, was highly "special," yet the problem was solved before the appliance itself went into manufacture.

THE DOMESTIC ELECTRIC COMPANY
7209-25 St. Clair Ave. Cleveland, Ohio

Domestic (98)
"INDUSTRY'S BIGGEST LITTLE THING!"
Electric Motors
FRACTIONAL HORSEPOWER



For protection from overload—the Domestic Automatic Safety Switch

INDUSTRY'S · BIGGEST · LITTLE · THING

People are just a bit fed up with "Reasons"



HALF the things sold today are bought simply because they look well or because an atmosphere of beauty is thrown about them through beautiful advertising. Beauty is more than an indication of quality: it *is* quality So make your advertising beautiful first.

The *foundation* of Beauty in advertising is paper specially surfaced ("coated") to show halftones, color plates, line cuts and type in the most attractive setting and detail.

For very finest color-process and halftone printing, use Cantine's Ashokan. When you want a paper that both prints beautifully and double folds without breaking under extreme conditions, use Cantine's Canfold. For "soft focus" effects, Cantine's Velvetone. For best printing results at lowest cost, Cantine's Esopus. Cantine papers are made in mills that have been devoted exclusively to paper coating since 1888. Sample book and nearest distributor's name on request.

NOTE: Awards are made quarterly for highest printing and advertising skill shown in the use of Cantine's Papers. Send specimens regularly to THE MARTIN CANTINE CO., Dept. 464.

THE MARTIN CANTINE COMPANY
SAUGERTIES, NEW YORK [New York Office, 501 Fifth Avenue]

Cantine's COATED PAPERS

CANFOLD ASHOKAN ESOPUS VELVETONE LITHO C I S.

Everybody Loses When Timber Burns

ADEQUATE forest-fire prevention is a business necessity. Without it there is little hope of perpetually supplying our wood needs or of bringing back into production large areas of potentially productive forest lands.

Chambers of commerce and protective associations are playing an important part in developing systems to control forest fires. Their activities are outlined and described in "*Organizing Communities for Forest Fire Control*," a new 36-page pamphlet just published by the Natural Resources Production Department of the United States Chamber of Commerce.

Copies of this pamphlet may be obtained at 25 cents each

NATURAL RESOURCES PRODUCTION DEPARTMENT
United States Chamber of Commerce - - Washington, D. C.

When writing to THE MARTIN CANTINE COMPANY *please mention Nation's Business*

export trade for the recently formed European chemical combine, comprising these three countries, is therefore $495,500,000 as contrasted with the American export of $171,000,000.

"The United States, however, is in a position to meet any combination of countries competing with it for its own markets.

"The United States provides about one third of the coal produced throughout the world, and it is to coal that chemists look mainly for future synthetic products."

That the chemical industry will have to fight if it would retain its markets is the conclusion that many found in a speech delivered at the N. P. O. & V. A. meeting by Col. William J. Donovan, according to *Paint, Oil and Chemical Review*. In commenting on this speech an editorial says

"European cartels have all the monopolistic features of those 'trusts' which were invented in this country and made illegal by the Sherman law and subsequent decisions, and have an added danger, from a competitive standpoint, because they have the full backing of their respective governments and have already claimed rights as 'agents of a sovereign power' which our own corporations are not allowed to exercise under the existing laws.

"The most obvious course to remedy the situation would be to advocate the repeal of the Sherman Anti-Trust law and an increase in the tariff.

Monopolies or Trade Associations

"COLONEL DONOVAN shows, however, the dangers in creating monopolies either with or without government protection and association. Government control is uncomfortably close to government ownership, which is practically socialism and bureaucracy. On the other hand, wisely restrained competition is a stimulus to private initiative which has been the theory of business which has built up our commercial system, the greatest the world has ever known.

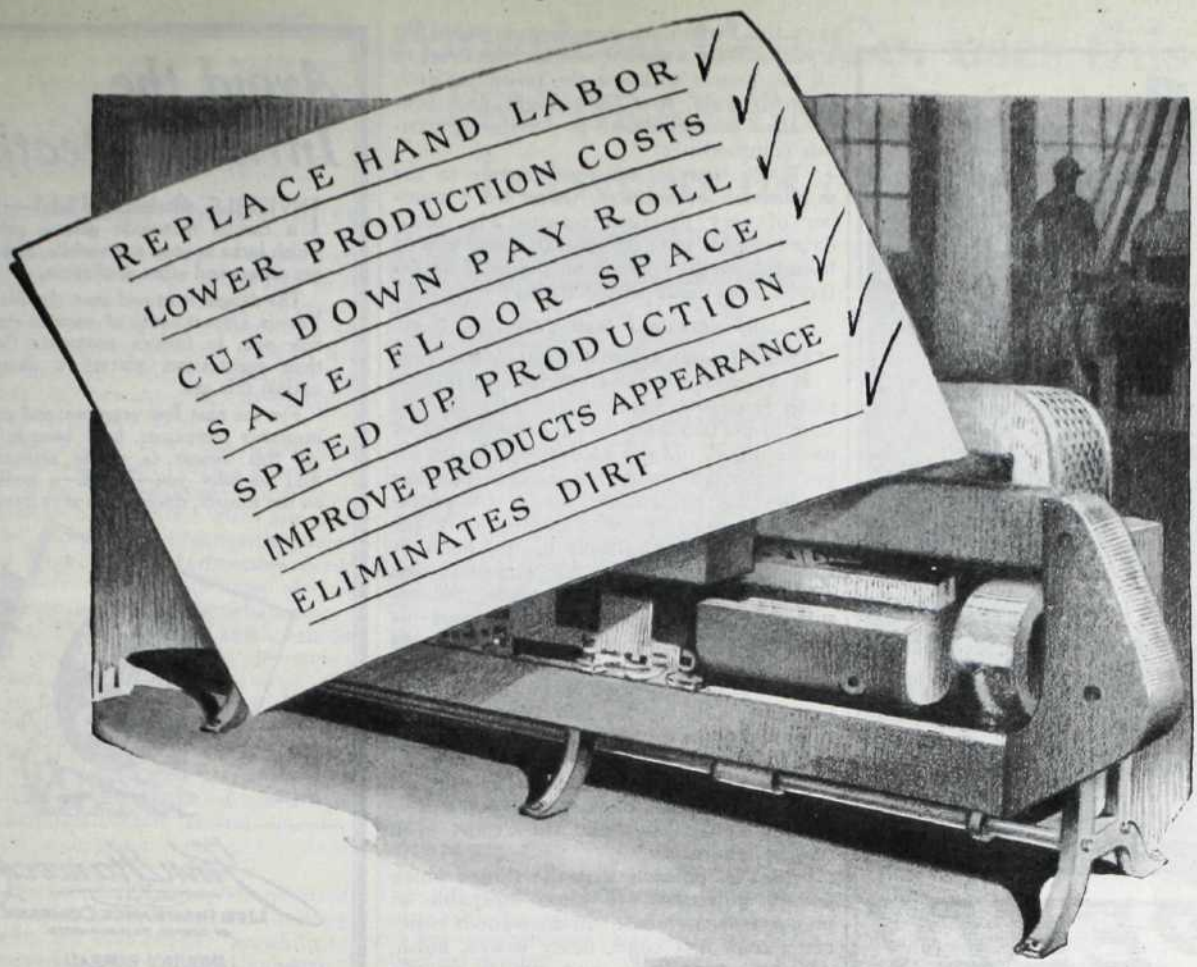
"Finally he makes this statement: 'The development of trade associations is the surest and most effective way of accomplishing the true objectives of American industry.' When fairly and honestly organized and administered they can lessen the evils of unrestrained competition. They can operate on a large scale and get the benefits of mass production and still not lose their identity in pooling agreements or holding companies.

"A good trade association takes a middle ground between the evils of unrestrained competition and the evils of monopoly. It has within its power the maintenance and development of the commercial well-being of our nation's business and the destruction of un-American foreign trade cartels with their menace of destructive competition leading to possible serious loss or of domestic bureaucracy verging on socialism.

"It is for our great united industries, in the words of the prophet, to 'choose ye this day whom ye shall serve.'"

Research or Use of Federal Figures for Private Profit

THE GENERAL acceptance of scientific research by industry has led individuals to wonder how it can be used in guiding their own purchasing. *Industrial and Engineering Chemistry* points out that many have asked, since the laboratories



A MACHINE CAN DO IT

YOUR production operation now being done by hand labor, or by manually operated or semi-automatic machinery, can in all probability be more efficiently and more economically done by automatic machinery ***especially designed for the purpose by Special Production Machines, Inc.***

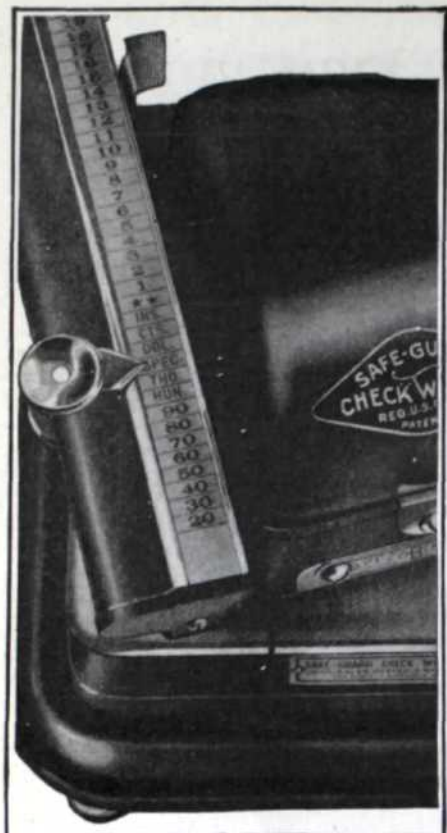
Special Production Machines, Inc., has designed, developed and built machines of varying types and kinds in many lines of production manufacturing—saving clients thousands of dollars. By cooperating in development work—another phase of its service—it has been able to help bring its clients' research to a successful conclusion at less costs. A booklet describing its operation and its services to manufacturers, will be sent on request. Special Production Machines, Inc., Norfolk Downs, Mass.

SPECIAL PRODUCTION MACHINES, INC.

A Division of

PNEUMATIC SCALE CORPORATION, LTD.

For over thirty-five years Pneumatic Scale Corporation, Ltd., has manufactured automatic labor-saving machinery for many of the world's largest producers of merchandise.



SPEED!

The new Safeguard Speed Model is the fastest check writing machine ever devised to give *complete* protection.

Checks written with the Safeguard are *automatically* triple-protected.

1. Writes EXACT amount in WORDS.



2. AUTOMATICALLY Protects Payee's Name.



The same operation that writes out the amount in acid proof red ink, shreds the Payee's Name and the amount as written in figures. It's automatic—"You can't be Careless with a Safeguard."

3. Amount is ALWAYS written in ONE line, full width of check; eliminates danger of raising by additions.

THREE-FOLD PROTECTION

SAFEGUARD CHECK WRITER

SEE IT DEMONSTRATED
at leading Stationers and Office Equipment Dealers
Manufactured by
SAFEGUARD CHECK WRITER CORP.
5 BEEKMAN STREET :-: NEW YORK

save the Federal Government $100,000,000 a year, "Why would it not be beneficial to all the people to know the results of government tests, that they might use them for their own guidance in purchasing various commodities?

"While there is no legal barrier to the publication of findings, there are a number of very practical reasons why these data would not be useful, but indeed harmful, to the consuming public if an attempt were made to use them.

Specifications Not Universal

"THE fundamental difficulties are simply that the tests are usually incomplete from the public point of view and that in no two cases are the conditions of use identical. Many of the tests made for government departments concern but one quality of the material under consideration, and that one is of interest only because peculiar conditions of use make it the outstanding point for consideration. Even where full tests are made, the results are technical and require expert interpretation with due regard to intended use. This needs no great elaboration, since it is obvious that in the majority of purchases the service two people expect, the amount of money they wish to spend, and numerous other factors lead them to a different choice of what is offered, and makes a set of standard specifications difficult to apply, let alone the report of a testing laboratory.

"Another point is that the things which govern purchases are often incapable of precise measurement. In dress goods ladies often rank first color, fancy weave, finish, draping possibilities, and similar criteria which bear no relation to wear. In a country with hundreds of thousands of manufacturers, it is almost a physical impossibility for any laboratory, however well manned, to be sure that it has completed tests on the latest products of all makers.

"The man who makes the best mousetrap today may not be making it tomorrow, but he may still be using recommendations issued when he was foremost and the corrected statement may never reach his consuming public. Specific advice, therefore, can be given only for the case in hand, and that advice can be but temporary because the state of the art changes and a different situation would call for a different answer.

Cooperation to Find Faults

"IN A number of cases groups of manufacturers have cooperated with government bureaus in prosecuting research designed to uncover and remedy faults and to establish underlying science. The results of these tests, with code numbers assigned to makers' samples, have been made generally available and while the maker may know only the identity of his own samples, he can see where he stands with reference to those who have joined him in the research and can apply these data to the betterment of his product.

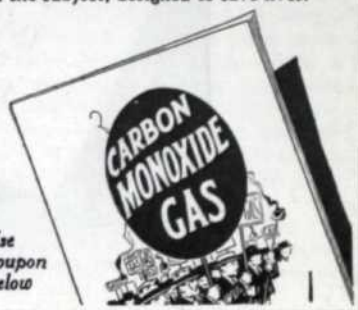
"This has been done over and over again, and while the original investigation has usually been prompted by needs of the Federal Government, the public at large has been the direct beneficiary. Instances of such work may be cited. They include dry cells, wattmeters, vacuum cleaners, refrigerators, and automobile brake lining. The public continually benefits from investigations upon foods, drugs, insecticides, fuels, and on through a long

Avoid the Invisible Death!

INVISIBLE, odorless, and fatal—that is carbon monoxide gas, a poison which lurks in your automobile, in your gas range, and other appliances.

The danger is so real that the Motor Vehicle Departments of various states now plan to furnish motorists (with their registration plates) a warning against this gas.

For the past few years we, and other insurance companies, have been bringing this danger to public attention. And we offer you—FREE—a booklet on the subject, designed to save lives.



Use Coupon Below

John Hancock
MUTUAL
LIFE INSURANCE COMPANY
OF BOSTON, MASSACHUSETTS

INQUIRY BUREAU
197 Clarendon St., Boston, Mass.

Please send me your free booklet on Carbon Monoxide Gas.

N. B.

LESS THAN $50,000

purchases building, stock, good will of long established house on Pacific Coast, selling profitable merchandise direct to consumer. Net profits as high as $21,000. Plenty room for expansion. Owner retiring; organization can be retained. Information to responsible people only. Address Vincent, care of this publication.

Reprints of Articles

appearing in this magazine may be ordered from us at cost. Or we will give permission, upon request, to reprint NATION'S BUSINESS articles with credit.

When writing please mention Nation's Business

list of commodities. Not infrequently the General Supply Committee sees fit to advise interested parties as to which products have been purchased for a particular use."

Broadcasting Over Wires
A Utilities Opportunity

WIRED radio offers more opportunities for broadcasting and a new field for light, power and telephone utilities in which to develop business, according to *Electrical World*. In a recent issue of the magazine, Gen. G. O. Squiers discusses the possibilities of broadcasting over light, power, and telephone wires.

"The idea is not new, but conditions have come about which make a consideration of these possibilities important. Radio channels are limited; wires are used largely in connecting broadcasting stations. In large cities interferences occur and troubles from steel buildings, electrical equipment and static disturbances are encountered. The equipment and methods for wired radio have been developed greatly, and business negotiations are rumored to be under way by which it is expected that wired radio will be used on a commercial scale.

"Wired radio is supplementary to radio broadcasting. It offers to utilities a new type of business which should increase earnings on investments and enable them to improve their public relations.

"Much remains to be done before wired radio becomes a going concern, but there is no doubt its commercial possibilities will be grasped by the electrical industry."

Our Trade with South America Grows Apace

IN VIEW of what one would judge from the newspapers was the current state of opinion as regards our trade with South America, a statement found in *Export Trade and Finance* will probably come with some surprise to many.

"The National Foreign Trade Council finds a remarkable change for the better in our relations with Latin-America. As O. K. Davis says, in his capacity of secretary of that organization:

"'We are today selling in those markets more than our three largest competitors put together. I have heard a lot about our "slipping" in South America, but the statisticians who keep record of the facts apparently haven't heard about it.'

"'We are selling the twenty republics to the south of us a hundred million dollars' worth of goods a year more than England, Germany and France combined.'

"'The United States is now the first supplier of goods to every country in Latin-America except Paraguay'

"'Practically one-fifth of our entire export trade now finds a market between the Rio Grande and Cape Horn.'

"'Since 1919 flotations of government and business loans in Latin-America by the United States have amounted to about $200,000,000 a year. This is a very solid reason why our trade grows and continues to grow.'

"'Another contributing cause is the improvement and maintenance of that improvement of our shipping lines, particularly to South America. The merchant marine of the United States exceeds its competitors in passenger and freight ac-

American Can Co. uses this TELEGRAPHING TYPEWRITER between its office and plants



A battery of seven Teletypes, each connected with an outlying plant, in the office of the American Can Company, Chicago

The seven plants of the American Can Company in Chicago and vicinity are connected with its downtown office by means of Teletype . . . the Telegraphing Typewriter.

With the aid of this device, girls in the office flash orders and other instructions to the various plants as fast as their nimble fingers can type them.

The plants, in turn, use their Teletypes to communicate with the office. Thus there is a double flow of *printed* messages between office and plants, saving innumerable messenger trips ranging up to 36 miles in length.

TELETYPE'S MESSAGES ARE RECEIVED IN THIS TYPE

Teletype legibly *prints* its messages on the ordinary typewriter page or on forms. Therefore it is virtually impossible to misread a Teletype message.

One sending machine will transmit messages to 1 or 100 remote spots *simultaneously*. Thus orders and other instructions can be broadcast to every corner of your plant at the rate of 60 words per minute.

Teletype service is not expensive, and will pay for itself again and again by eliminating errors, doing away with messengers and speeding up production.

Teletype is used by industrial organizations, telegraph and cable companies, press associations and railroads. Without obligation, permit us to demonstrate how Teletype can save time and money for *you*.

TELETYPE
THE TELEGRAPHING TYPEWRITER

PIN to your letterhead

For further information, sign this coupon, pin to your letterhead and mail to Morkrum-Kleinschmidt Corporation, 1410 Wrightwood Avenue, Chicago.

Your name.....

N. B. 1-28

Now You Can Get Action Without Waiting on the Printer with MULTISTAMP

The most modern and complete office printing plant known



The quickest, easiest, simplest—most economical known means of duplicating letters, post-cards, notices, forms, etc. Type—handwrite or draw on a dry stencil—attach it to MULTISTAMP—print perfect copies on paper, wood, metal, cloth—any smooth surface—40 to 60 a minute—right at your desk.

MULTISTAMP is made in three sizes —letter, post-card and rubber-stamp

It is built to do service and pay dividends in time and money saving. GUARANTEED. More than one hundred thousand now serving all kinds of business throughout the world. Write for catalog and samples of work.

No. 1 Outfit—With complete Equipment, including 25 Stencils, Ink, Stylus Pen, etc. Unequalled for addressing shipping tags and labels. (F. O. B. factory—weight 1 lb.) . **$7.50**

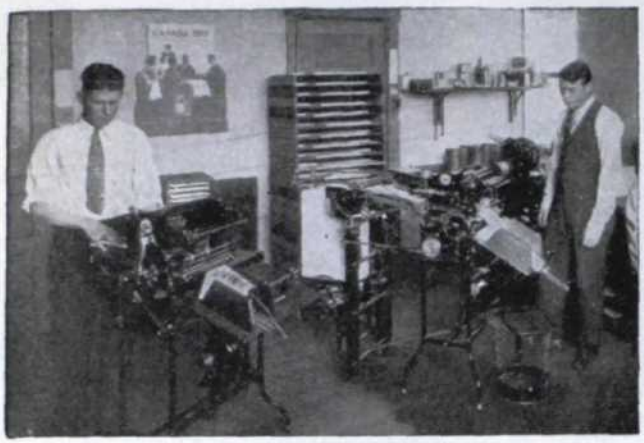
No. 5 Outfit—Letter size, with complete equipment, including Black Enameled Container, 24 Stencils, Ink, Stylus Pen, etc. (F.O.B. factory—weight 5 lbs.) . . **$25**

No. 3 Outfit—With complete Equipment, including Black Enameled Container, 24 Stencils, Ink, Stylus Pen, etc. (F. O. B. factory—weight 3 lb .) **$15**

No. 6 Outfit—Consisting of all three sizes, with supplies, packed in handsome Steel Baked Enamel Finish Case. The most complete office printing plant known. (F. O. B. factory—weight 20 lbs.) **$50**

THE MULTISTAMP CO., Inc.
Norfolk, Va., U. S. A. — Agents and dealers in principal cities

Direct Mail and



"Canada Dry" Western Sales, Incorporated, do all their form letter work and all their printing of folders and descriptive literature with the Multigraph—incidentally they save 30 per cent to 40 per cent on the cost.



Among many satisfied users of the Addressing Multigraph is the Industrial Works of Bay City, Michigan. Note the mailbags ready to receive the finished letters.



Here is the Multigraph No. 58 Folder at work in our own offices. We couldn't get along without it and that's what its other users say.

The Multigraph is serving the direct-mail advertisers of the nation to a greater extent with every year.

We doubt if even the readers of this magazine appreciate the variety of this service.

In addition to the thousands of concerns buying letters and printed matter from direct-mail producing concerns who use the Multigraph, other thousands own and operate for themselves a great variety of Multigraph equipment. Let us bring you up to date on some of the more important units.

The Printing Multigraph

This machine will produce form letters through a ribbon, but its principal function is *printing*, direct from type or electros, with printer's ink. The saving in cost is remarkable, and the registry, color effects and variety in illustration obtained by many users are extraordinary.

THE AMERICAN MULTIGRAPH SALES COMPANY

THE MULTIGRAPH

The Typewriting Multigraph

This simple little hand-operated device does some big things—such as maintaining a customer list of 18,000 names at full strength for the Dr. A. Reed Cushion Shoe Company, of Cleveland—a retail store.

The Multigraph Keyboard Compotype

As with the linotype, all you have to do is to strike the right keys to set up a letter in a jiffy. Attach the resulting plate to the Multigraph and it is good for hundreds of thousands of clear and perfect impressions.

The Addressing Multigraph

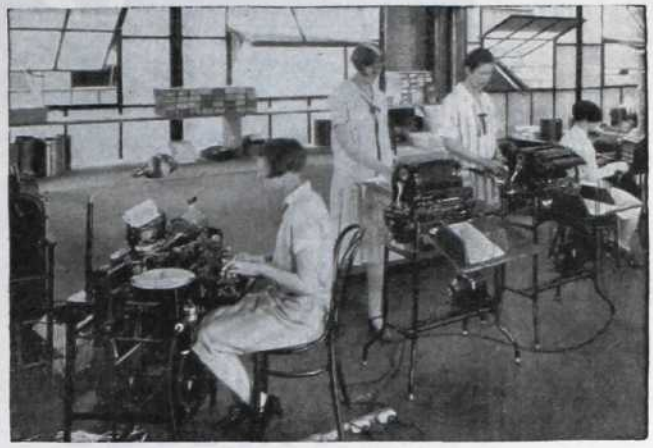
For concerns with much form-letter work, this is the best method yet devised for perfection of the letter and low cost.

At one revolution of the drum it prints body of the letter, address, salutation, signature and address on the envelope.

The Multigraph 58 Folder

This is said to be the only practical low-priced folding machine on the market. It saves a lot of time on letters, advertising features, forms, statements, et cetera.

The proper selection of these machines will reduce the cost of your direct mail and equal or better its present efficiency.



Miller Rubber Company uses Multigraph equipment to market a million pieces of rubber goods daily to 100,000 retailers. You see the Multigraph Keyboard Compotype in the foreground of the picture.



Wm. J. Brennan Grocery Company of St. Louis are making big gains in their three stores, without newspaper advertising. They give credit to the Printing Multigraph.



W. R. Caldwell, Cleveland dealer for the Dr. A. Reed Cushion Shoe, has a big mailing list and runs a small store like a big business. The Typewriting Multigraph helps him do it.

1806 E. 40th St., Cleveland, O. *(Also listed in telephone books of 50 principal cities)*



"Via RCA"

mean speed, directness . .

. . AND MORE

Leading banks, exporters and importers use the fast overseas communication service of Radiograms "Via RCA" because Radiograms afford *direct* communication between the United States and twenty-three countries—and the most direct communication available to practically every country on the face of the globe.

This directness means speed—and it means *accuracy*. Yet Radiograms cost no more than other means of fast communication. To any country—to ships at sea—send your messages as Radiograms

"Via RCA"

File Radiograms to Europe, South America, Africa and the Near East at any RCA office; to transpacific countries at any RCA or Western Union office; or phone for an RCA messenger.

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264 Fifth Avenue . Madison Sq. 6780
19 West 44th Street . Murray Hill 4996
102 West 56th Street . . . Circle 6210

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109 Congress Street . . . Liberty 8864

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commodations and in alertness in getting and holding business.'

"These are outstanding paragraphs in the Council's statement. They are in themselves, and with their statistical context, an ample refutation of any campaign of detraction, scoffing at the accomplishments of our exporters, that might be thought up by commercial alarmists at home or by envious competitors abroad."

Anarchist or Socialist and Political Pragmatism

"EVERY man is at once a socialist and an anarchist," says *Wallaces' Farmer*. "Every nation is committed, in part, to both social ideals. The urge for regulation, for control, wages a perpetual battle with the urge for perfect freedom."

"Both anarchy and socialism are necessary. The difficulty is to know where one should stop and the other start.

"The old definition of a weed as a plant in the wrong place comes in to help us here. The platform orator who roars, 'This is anarchy!' need not give us the horrors. It is as if he said, 'This is sweet clover.' Now sweet clover in a corn field is a weed; in a field seeded to sweet clover for hay or pasture, it is a highly valuable crop. In the same way, we are all anarchists, all individualists, when we pick out our wives—or shall we say our wives are so when they pick us out—when we decide how to spend a holiday, what to read, with whom to chum, how to invest our money, what kind of a business to go into, and so on. In the same way, we are all socialists when we use the public roads, call a policeman or a fireman, use the mails and do a hundred other things. Socialism is desirable when it gives better results than anarchy; anarchy is desirable when it gives better results than socialism.

"We hear at least one fretful reader breaking out: 'But I don't want either.' Friend, you can't help yourself. Either you believe in social control of human activities, which is socialism, or you believe in individual control, which is anarchy. There are, of course, a million gradations between the two poles."

"Good government never will be the consistent expression of any single political system," according to *Antioch Notes* in commenting on Government by Abstractions. "It will result from the practical application of specific devices, and will represent great diversity of political theories.

"Aside from charges of lack of integrity, we have two counts against the Russian Government. First, it is mistaken in trying to make an entire government conform to an abstract theory. Second, it favors establishing its methods by physical force, rather than by consensus of opinion.

"In America we are confusing issues, and are denouncing principles of government that have had long and honorable acceptance in America, simply because they are prominent in the Russian program. Both communism and socialism have long been fully accepted and highly regarded in important phases of American government. We fall into the same error as the Russians if we denounce theoretical principles, regardless of the fact that, within limits determined by practical experience, they are successful.

"One of the soundest civic traditions in America is our slight interest in abstract political doctrines, and our habit of judg-

ing political methods by their practical results. Wherever that policy is maintained, as in the balance between public and private ownership of utilities, we are on solid ground. Repeatedly we shall lean to one extreme or the other, but not for long.

"Wherever Americans have adhered blindly to a theoretical political policy regardless of its results, as we have in our peculiar methods of electing public officials, inefficiency has been our lot. There is danger at present that emotional propaganda for and against socialism and communism will lead some to see these methods as cures for all social ills, while others will develop such blind unreasoning dread of them that we shall forget what a large part they long have played in our American life. We are in danger of destroying that freedom of choice of governmental methods which has been a saving characteristic of America."

Automobiles to Be Barred From Downtown Sections

THE PROPOSAL has been made to bar all pleasure cars from the downtown streets of Boston between the hours of ten and three, according to *Automobile Topics*. "The present situation, it is averred—single individuals riding in spacious limousines while hundreds of pedestrians are huddled on the street corner waiting for a chance to cross—is ridiculous." "'Downtown touring during the noon hour should be prohibited,' urges the proponent of this strange idea. 'The streets of Boston downtown are not much wider than a good sidewalk, and it is a mistake to fill them with automobiles which take up more space than can be allotted in the downtown district for any citizen, no matter how important he may believe he is. I think it unfortunate that we mumblypeg along in the present situation. Let us try a few experiments. We won't be taking much of a chance. Conditions cannot be much worse than they are at present.'

"Coming from a long-haired reformer, the suggestion would be laughed out of court, but the speaker happened to be Alvan Fuller, Governor of the State of Massachusetts and himself an automobile man of many years' thoughtful experience. With some, that will lend merit to a thought that is rugged enough to stand alone. Traffic planning that concentrates on vehicular movement is very faulty. The Governor is right in saying 'let us experiment.' Let us experiment very widely and consistently, and if possible in matters touching on civic affairs, with all the sincerity that underlies his words."

Bank Failures a Factor In Agricultural Problems

COMMENTING on Secretary of Agriculture Jardine's statement that there are too many rural banks, *The American Banker* says:

"It is impossible for any authority to say what constitutes a safe number of existing banks, or to establish an arbitrary rule as to minimum capitalization. The difficulties into which several states have been precipitated in these particulars arose not so much from absolute lack of what might be termed the statistics of common sense, but because facilities for obtaining bank charters were so easy that it was

Administration Building of The Sherwin-Williams Co. of California



Oakland's Location Helps to "COVER THE EARTH"



L. W. WOLCOTT, *Vice-president and Managing Director, The Sherwin-Williams Co. of California*

THE Sherwin-Williams Co., according to Mr. L. W. Wolcott, found that its "constantly increasing business on the West Coast demanded a local plant and selected Oakland, California, as the ideal location, due to the following advantages:

"1. The center of population of a metropolitan area with over 1,600,000 people in a 40-mile radius.

"2. Center of population of the eleven western states with over 10,000,000 people.

"3. The western population can be served more economically from Oakland than from any other point.

"4. Oakland is the natural port of entry to the Hawaiian Islands and the Orient.

"5. Oakland has a perfect all-year operating climate.

"6. Oakland has a plentiful supply of labor.

"7. Ample industrial land moderately priced."

Get the Facts! Send for New Booklet

"We Selected Oakland." The above statement of The Sherwin-Williams Co. is from only one of many nationally-known concerns which have given their reasons in this booklet for finding the industrial area of Alameda County to be the most advantageous location on the Pacific Coast. A copy will be mailed to you for the asking. *A technical industrial report will be prepared for any interested manufacturer on request* ' ' '

Write Industrial Department

Oakland Chamber of Commerce ' Oakland, California

or the Chamber of Commerce of any of the following cities:

Alameda Berkeley

Centerville Emeryville Hayward Irvington Livermore
Newark Niles Pleasanton San Leandro



PARTITIONS *of Common Brick are actually soundproof . . . and of course permanent, and a positive protection against fire.*

The U. S. Mortgage Trust Bldg. of Detroit, in which Common Brick partitions are standard construction, is an outstanding example of their efficiency. A single thickness of brick, laid on edge, provides ample strength and stability, with the highest degree of sound resistance. A light plaster coat on each side finishes the job.

Consult our engineering service for help on any industrial construction problem—no obligation.

AT YOUR SERVICE
These District Association Offices and Brick Manufacturers Everywhere

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New York City 1716 Grand Cen. Terminal
Norfolk, Va. . . . 112 West Plume St.
Philadelphia 121 North Broad St.
Pittsburgh . 702 First National Bank Bldg.
Raleigh, N. C. 508 Com'l Nat'l Bank Bldg.
Salt Lake City 301 Atlas Blk.
Seattle, Wash. 913 Arctic Bldg.

The Common Brick Manufacturers Association of America, 2135 Guarantee Title Bldg., Cleveland, Ohio

BRICK *forever*

PREFERRED BY ARCHITECTS

found almost impossible to exercise restriction.

"The spectacle of two or more banks competing for business in villages of several hundred population is, of course, absurd. Probably the bank commissioners who were forced to grant the charters knew this quite as well as anybody else. Under the law they had little or no authority to refuse. The states themselves have been negligent in this respect. It is safe to say, however, that from now on new banks will not be regarded in the light of grocery stores and other small business ventures.

"Unnecessary banks already in existence will be eradicated in some manner. The picture of eradication, through failure, is already too familiar. Legislation may not be able to force the merger of unsuccessful banking units into one moderately prosperous institution, but legislatures can give banking commissioners the implied power to use discretion in such a movement. That has already been tested out in several states with good success.

"With moderate restrictions as to minimum capital and other like requirements, the overbanked condition of which complaint is so commonly made can be corrected. Overbanking is not a national issue. It is sporadic, and confined to sections. The basic trouble is that the symptoms are hard to detect until the disease manifests itself in an unusually large percentage of failures. But as some states have already had experience, not only with the symptoms but with the fully developed disease, it is not too much to assume that with this experience as a guide, recurrence of a banking epidemic can be avoided in the future."

Business Men's Report on Agriculture Finds Favor

THE Business Men's Commission on Agriculture, appointed by the National Chamber and the National Industrial Conference Board, recently released its report after a year's study of the farming situation. The *Bache Review* summarizes the suggestions in these words:

"Gradual tariff adjustment to equalize tariff benefits between agriculture and the manufacturing industry; the creation of a Federal Farm Board to assist in the stabilization of farm prices and production; a comprehensive land utilization policy to be administered through an endowed 'National Agricultural Foundation'; a revision of state and local tax systems; strengthening of the rural banking system; a revision of railroad rates on farm products and development of water-way systems.

"The Commission was against legislation designed to raise the prices of farm products relative to the prices of other commodities, believing that this could be done only by means which are unsound in principle, which artificially and arbitrarily alter the relations between supply and demand and which promise no permanent relief.

"Great emphasis is laid upon the things the individual farmer himself can do to lower his production costs—the present production methods generally being far below the best technical and economic standards. 'A higher yield per man engaged must be sought, in part by increasing the average size of the farm unit, in part by utilizing labor more fully throughout the year. Much land now in crops should be put in grass or reforested. Yields per man should be increased by larger expenditures for relatively cheap materials, such as commercial fertilizer, and for improved farm equipment.'

Cooperation Will Help

"THE Commission thought that great promise of giving the farmer advantages similar to those obtained in the manufacturing industry, through large-scale production and organization, could be attained by cooperation. This was to be used in the purchase of goods for agricultural production, in securing test seed, in the improvement of livestock, in the utilization of machinery, in harvesting, in the grading, standardizing and processing of farm products, and in providing cheap credit and developing calamity insurance.'

Pennsylvania Stockman and Farmer finds that: "Evidently the Commission has conscientiously endeavored to consider and to solve the problem before it; but beyond its statement as to the tariff there is little in its report likely to create serious discussion." On the tariff proposal the magazine says:

"Such a statement ('The Commission believes that efforts should be made more nearly to equalize, as between agriculture and manufacturing industry, such benefits as the existing tariff system can afford to both') from such a body deserves more than passing notice; but evidently the Commission did not know just how its proposed reconsideration should be attempted or could be effected or it would have made some specific recommendation on those points.

"Lower taxation, lower interest rates, lower freight rates are all discussed in general terms; but one definite recommendation in regard to taxation should be approved, that the states relinquish the general property tax to the local governing units and obtain such revenue as they need by income, business and excise taxes This policy is in effect in some states and it is correct."

Report Will Influence Business

"THE REPORT is likely to have a considerable influence in the attitude of business men toward the whole problem of stabilizing the industry of agriculture,' thinks the Iowa *Homestead*, continuing:

"Possibly its most lasting effect will be through the fact that the Commission, made up of outstanding American business men, recognizes emphatically that there is a necessity for the taking of measures which will place agriculture and other industry upon a basis of equality.

"If this end is kept in mind by all who are interested in the welfare of the farmer, and in national prosperity as a whole, I have no doubt that ultimately a solution will be reached, though there may be no complete accord in methods to be used."

In commenting on the tariff recommendation, *Iron Age* says:

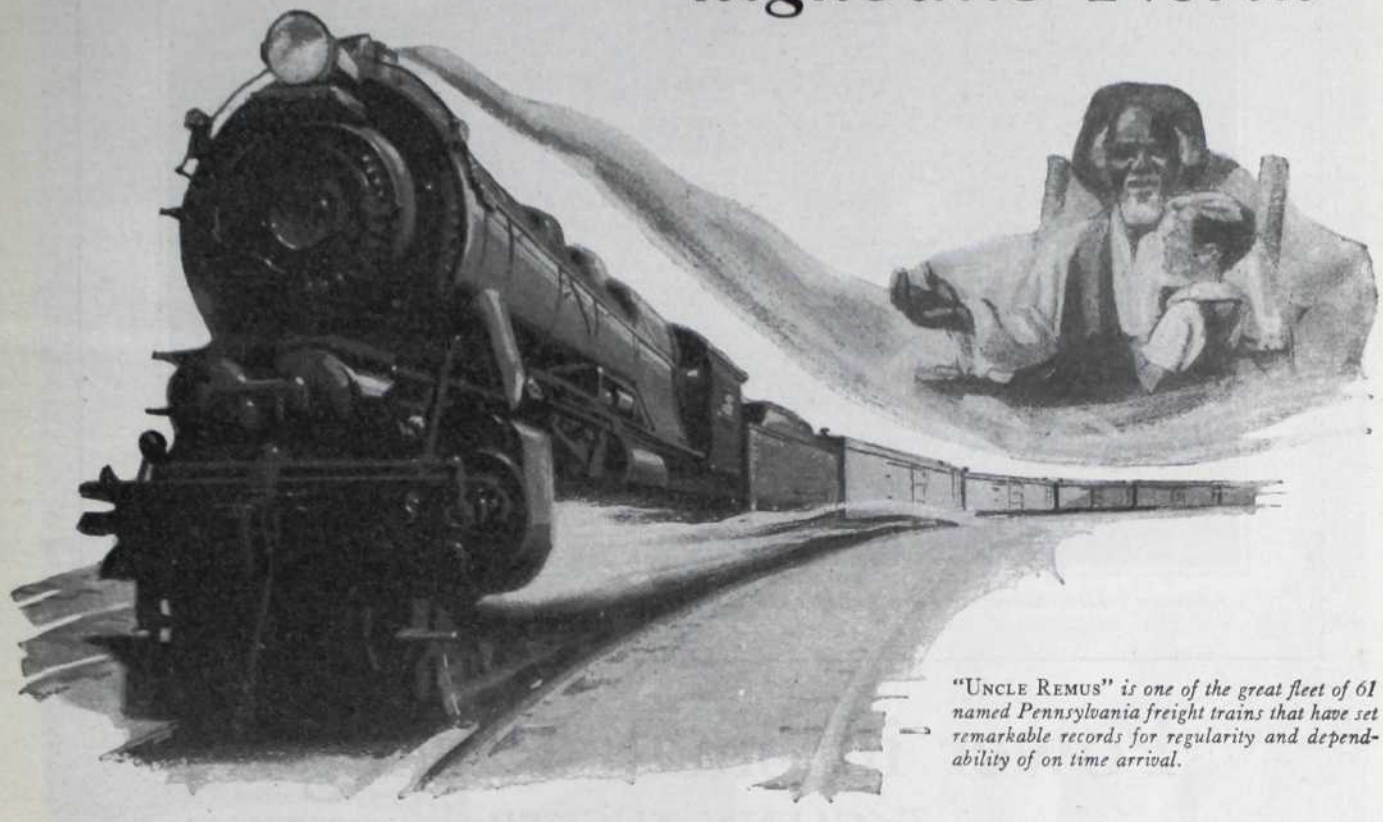
"What shall it profit the American farmer to gain an additional fraction of the foreign market for his products if the process involved a lessened operation of the industries whose workers consume his products at home?"

As to the improvement of farm methods the editorial points out:

"Farming is scattered over the country. The problem is to apply to farming the efficiency by which manufacturing has succeeded. The difficulty lies in farming, probably more than in the farmers."

"UNCLE REMUS"

highballs North



"UNCLE REMUS" *is one of the great fleet of 61 named Pennsylvania freight trains that have set remarkable records for regularity and dependability of on time arrival.*

"SHO, chile! I'se a traveler. Mebbe to jedge frum my name you thinks I limps roun' on a cane, bent ova' like I had de rhumaticks. But you oughter see me when I gits loaded up fer de Nawth'n markets. I'se as spry an' chipper as Brer Rabbit."

If you happened to be listening as "Uncle Remus", the big Pennsylvania freight from the South rumbled by, his wheels might spin a story as they clicked over the steel rails. And you might be reminded of other stories told by another Uncle Remus who was one of the unfailing delights of your younger days.

Uncle Remus of fiction is important to childhood. And "Uncle Remus" of the railroad is just as important to many children now that they're grown up. For he carries the riches of the sunny Southland up to the Middle Atlantic States and New England. And regularly and dependably he brings in his cargoes on time.

"Uncle Remus" glides out on the steel rails at Potomac Yard, Virginia, tuned up for his dash to the Northern Markets.

Garnishing Northern Tables— Furnishing raw materials for Northern Industries

Behind his snorting locomotive rides as rich a caravan as ever swept over the deserts of Araby. For here is wealth from the South—luscious ripening fruits and choicest cool green vegetables to garnish the tables of fastidious Northern housewives. These and many articles of general merchandise that "Uncle Remus" also carries have been brought by connecting Southern Roads from practically all Southern points to Potomac Yard.

Upon arrival in New York the New England shipments that "Uncle Remus" carries are routed via Hell Gate to their various destinations.

The remarkable on time performances turned in by "Uncle Remus" assure the Southern fruit and vegetable growers of having their produce reach the Northern Markets promptly—and with a minimum of loss. Likewise they may rely — through the diversification facilities of the Pennsylvania Railroad—on their goods going to the markets where the best prices are being offered—to be placed before buyers on a regular dependable schedule.

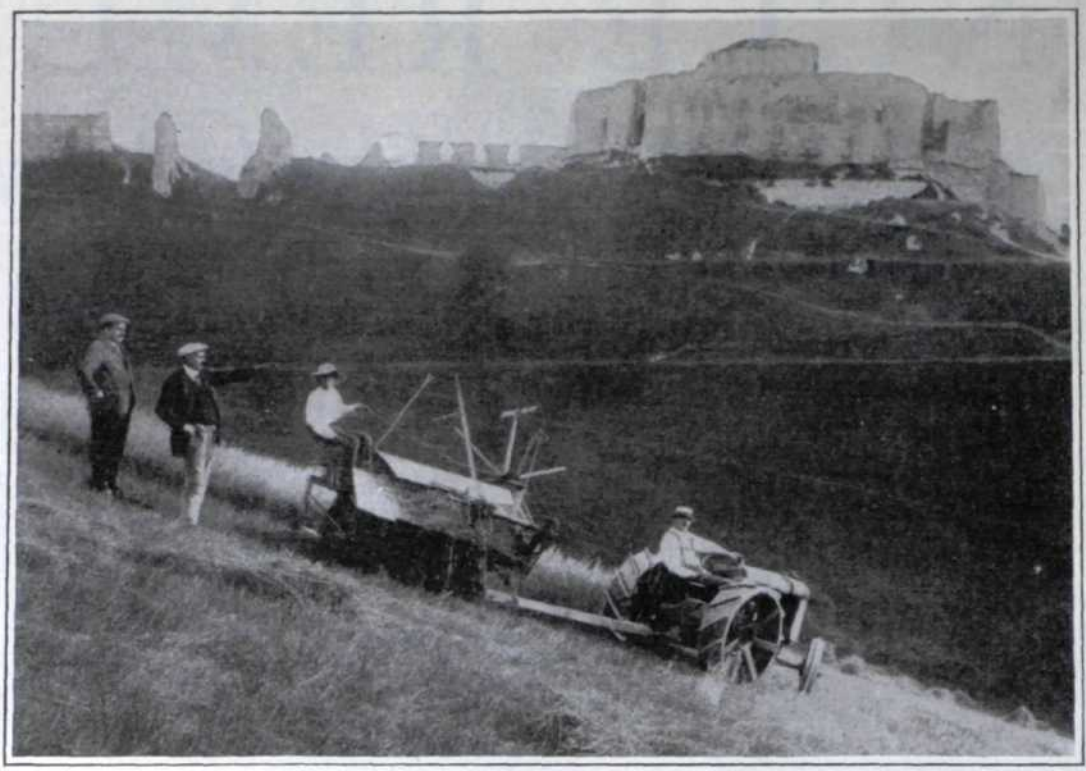
SHIPPERS:

Are you giving the man who routes your freight the time and opportunity to effect the economies, contribute to the new business strategy which in many industries is considered the most important development since Mass Production?

The Industrial Traffic Managers of many organizations have been instrumental in the speeding up of turnover —in the reduction of inventories—and in the opening up of new selling territories to which improved freight transportation has given them access.

PENNSYLVANIA RAILROAD

Carries more passengers, hauls more freight than any other railroad in America



American tractor harvests French grain in the shadow of a fortress built by Richard, the Lion Hearted

Power in Small Packages

by GLENN TUCKER

UP IN the highlands of Uganda and Tanganyika, 4,000 to 7,500 feet above the African shore, where gasoline sells for 85 cents a gallon and the rarity of the atmosphere makes labor difficult at any price, the trail blazers of American business have encountered the last, dying ripples of the revolution which were sent washing over the earth's surface by their associate, American industry.

Already the era of change has touched the scorched, people-laden plains of Hindustan and penetrated into the jungles of Siam. It spread quickly through the vineyards of France, and now is attempting to sweep the camel from his ancient place along the Persian caravan routes and move the South African ox back to the forgotten grazing lands.

Dominated by the light, American tractor, "power farming" is rapidly assuming world aspect—and not only in the cultivation of the soil. It is supplying new and better ways for dragging the mahogany logs from the Nicaraguan forests and rebuilding the roadways of Greece, as well as for drawing the plow in Australia and the gleaner-combine across the harvest fields of the Argentine or Manitoba.

Power farming is the substitution of machinery for animals. When the tractor was beginning to show its successful operation on the farm, the industrial leaders asked why, if the farmer could have mobile machine power from the gasoline engine, industry should not share the advantage. So the tractor was tested in the factory yard, the lumber camp, the oil field and on the construction job.

We are witnessing the ensuing revolution, now well under way, and to confine it to agriculture is to tell only half the story. It is an extension of manufacturing processes to virtually all the remaining forms of human industry.

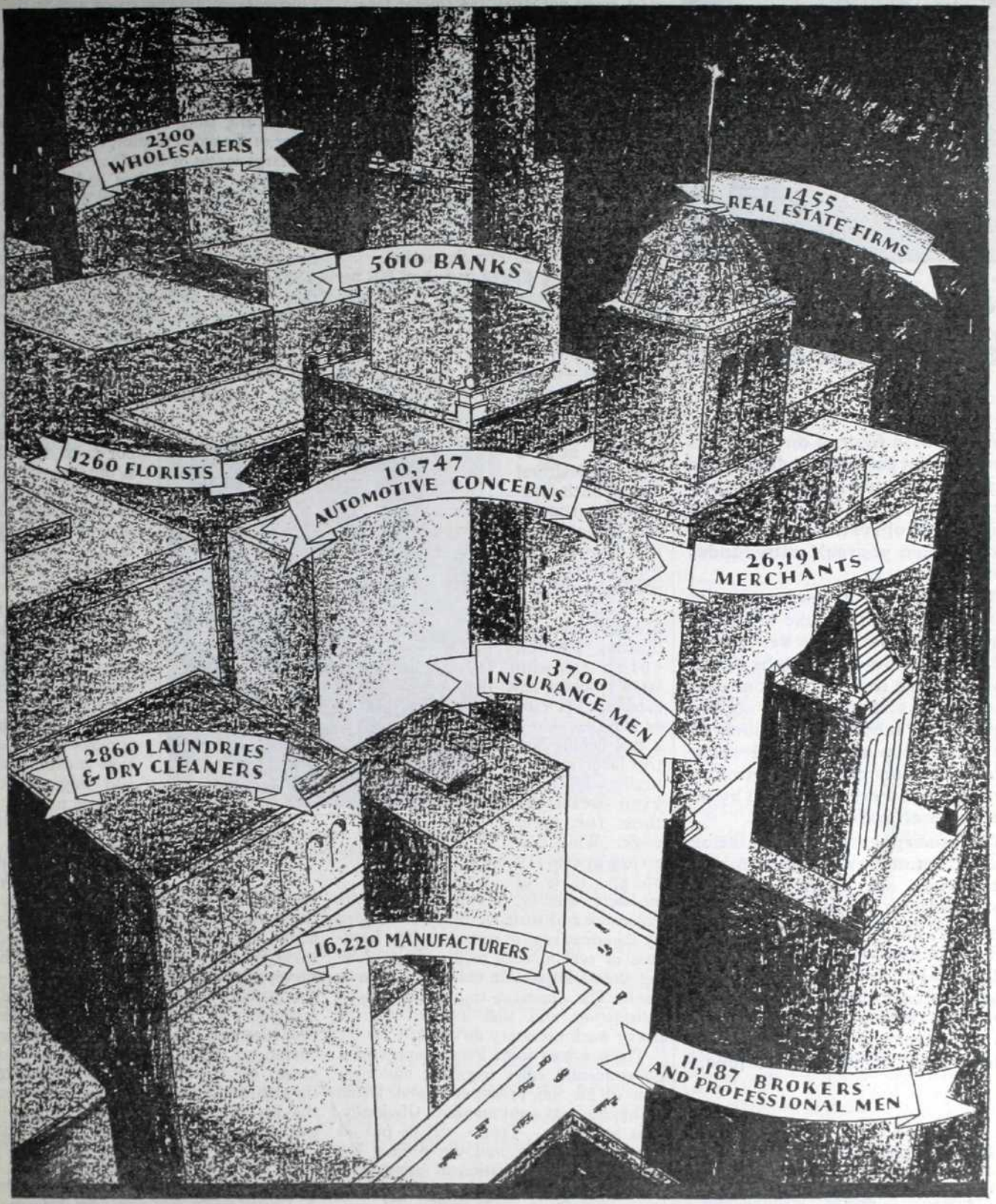
A few years ago the tractor's position was doubtful; now it is being manufactured at such a price and operated with such facility that it has changed positions with the horse and mule as the economical power provider. It is finding its introduction and acceptance in countries where man-power is cheaper and animals more plentiful than in the United States. It is winning its way because it does the job efficiently.

All has not been easy sledding for the tractor. Often its first appearance was followed by a period of disappointment for those interested in its future. The tractor went to India commercially in 1919 and 1920, and the Department of Commerce noted how merchants ordered large numbers without considering that it would take time to turn the Indian farmer from the customs of centuries. Losses were suffered by importers there and elsewhere. In South Africa it required a considerable period for the farmers to absorb the initial imports. In France the tractor left over as a war surplus proved unsatisfactory,



Replacing coolie power, American tractor hauls coal in bags at Tientsin, China

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ANYONE who needs good will. Anyone who has goods or services to sell. Anyone who feels he will be a greater success in business if he enlarges his circle of friends. The same businesses use Remembrance Advertising, in fact, that advertise in newspapers and magazines. It personalizes a campaign. Some users of Remembrance Advertising advertise in no other form. Remembrance Advertising *must* be effective else Brown & Bigelow could not continue to serve more than one hundred thousand American concerns each year. An interesting and complimentary book which tells about Remembrance Advertising will be sent upon request.

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Face the Facts Behind the Figures

When cold figures on your balance sheet reflect that dangerous tale of fluctuations in factory production and the steady rise in cost of operations—it is time to concern yourself with fundamental causes.

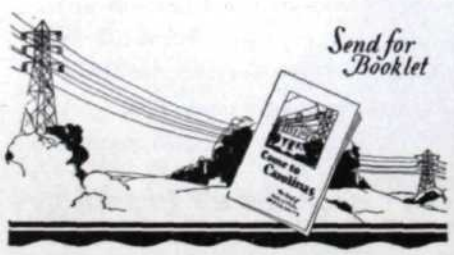
Business executives striking at the heart of the cause are turning to the territory served by Carolina Power & Light Company. Here investigation shows an ample and increasing supply of skilled labor—strike hazards practically eliminated—low costs, lower plant investment, cheaper power; all favored by an equable climate.

The unsurpassed transportation facilities and ready access to raw materials are contributions of pioneers in a proven territory developed for industrial growth.

Here in our territory where industrial plants maintain balanced production schedules from eight to twenty-four hours daily, a new story is told on the balance sheet of plant operations.

Carolina Power & Light Company

INDUSTRIAL BUREAU RALEIGH NORTH CAROLINA



When writing please mention Nation's Business

and tractors as a whole suffered temporary unpopularity. But an unfortunate start could not delay the tractor long.

Dominate French Market

TODAY tractors are very popular in France, and their popularity is principally traceable to efforts of American manufacturers. American sales methods are used, and the repair service rendered by the French agents of American tractors is similar to that given in the United States. The maintaining of this service on machines sold to farmers largely accounts for the fact that American tractors dominate the French market.

The United States supplies 80 per cent of the tractor needs of France; France, 10 per cent; England, 8 per cent; and Italy, 2 per cent. We find France applying tractor power to many operations—timbering in the mountains, cultivating the vineyards, for which special equipment has been prepared, plowing in the rich, agricultural regions of the central departments and filling industrial needs for power in the north country.

Across the Mediterranean, in Tunis, French colonists with large holdings regard the tractor as indispensable—a real boon. Native labor is practically the only kind available there for farm work. While it is comparatively cheap, it is of mediocre quality. Draft animals are expensive and their efficiency is reduced by the great heat of summer. The hardness of certain soils makes deep plowing almost impossible unless a tractor is used. The American tractor has proved satisfactory and well adapted to the heavy work necessary in Tunis.

There comes from Persia report of a governmental edict requiring motorization of all the principal inland traffic within the next eight months. Obviously, Asia is stirring. Trucks will be put on some of the runs, and the project has been under consideration of using tractors for freight carrying on the Arabian caravan route from Beirut to Bagdad, and over some of the routes used by the Romans to draw wealth to Rome. Even more recently than this it is reported that Turkey is to enter more heavily into the tractor-buying field and will use the power units not only for constructing highways but also for communication with outlying districts. And on the heels of this information comes word to the Department of Commerce, through Trade Commissioner P. J. Stevenson, that South Africa is finding the ox a relatively tender animal requiring large grazing space and is turning to tractor power.

Two summers ago Trade Commissioner Arthur J. Gray, discussing evolution of the tractor in Germany, which was struggling for greater efficiency in agriculture, said the tendency was "in favor of the small tractor, even for working large tracts of land."

Foreign trade figures indicate Germany is turning more and more to the American tractor. She accepted 241 in 1925 and 1,021 last year, and in the first seven months of 1927 she purchased 1,835. Traditionally efficient, the German farmers and industrialists do not intend to be left behind in completing the transition to automotive power.

Australia has benefited by the use of the tractor because of the scarcity of labor. Argentina has found it an advantage despite relatively low labor costs. Canada is our biggest foreign tractor purchaser. Russia has bought so heavily in the United States that the light tractor is now a common implement to the farmers and peasants. American tractors are being bought despite a ruling that the purchaser of a foreign tractor must also buy one of Russian make.



American tractor, equipped with crawlers, logging in the jungles of Brazil

Much interesting information was made available when the Department of Commerce two years ago, under direction of George B. Bell, chief of the Agricultural Implements Division, surveyed the world tractor market. The survey showed the world was ripe for the introduction of progressive farming methods. At that time some of the countries had few tractors and others offered no large, immediate market because of the difficulty of breaking through antiquated methods. Last year the list of importers of the American tractor was like a roster of the nations.

American Farmer Has No Monopoly

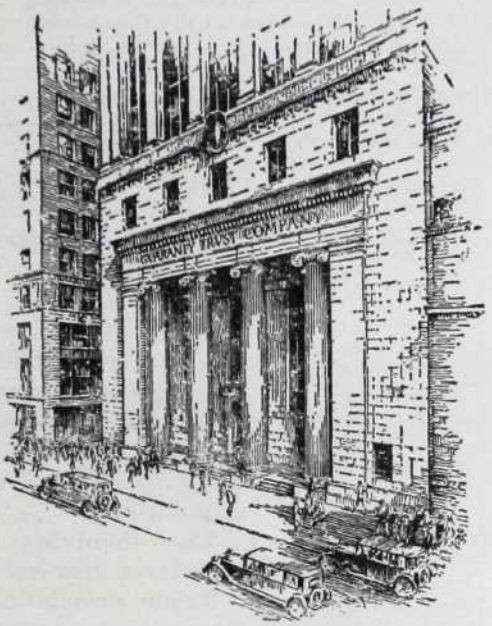
IT IS not to be presumed that the United States will surrender its leadership in agriculture any more than it will its leadership in industry. Power farming probably will obtain its earliest full development here. But rapidly as the American farmer is turning to machinery, he holds no monopoly on automotive power. His discovery of each new use for the versatile little tractor is heralded elsewhere. The world is busy, offering a challenge to the progressive American farmer.

The Guaranty Trust Company *installs a* Todd Check Signer *and* Super-Speed Protectographs

THE largest trust company in the world, the Guaranty Trust Company, of New York, has further simplified and accelerated its check preparation procedure by the installation of two Super-Speed Protectographs for writing amount lines and a new Todd Check Signer for applying signatures.

The safety, speed and simplicity of these machines and the time and labor saving they effect were their chief recommendations. The Super-Speed shreds indelible, two-colored amount lines into the very fiber of the check paper at the rate of 1200 checks or more per hour! The Todd Check Signer will put the most nearly non-counterfeitable signature known on 7500 to 9000 checks an hour!

Todd
Trade Mark



This is the safest, the most modern method of signing checks. Only one executive is required to supervise the operation of the machine, and even that need occupy only part of his time.

The work of the Todd Check Signer for the Guaranty Trust Company gave rise to this significant comment: "We are in the twentieth century and it is high time that busy officials got away from spending hours and hours of cumbersome work signing checks by hand."

If your business issues checks in quantities, modernize check preparation and safeguard circulating funds with a Super-Speed Protectograph and a Todd Check Signer. Accelerate routine and relieve your executives from the expensive and needless operation of signature by hand. The Todd Company, *Protectograph Division.* (Est. 1899.) Rochester, N. Y. *Sole makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.*

THE TODD COMPANY 1-28
Protectograph Division
1130 University Ave., Rochester, N. Y.

Please send me further information about the

☐ Todd Check Signer
☐ Super-Speed Protectograph

Name_____

Business_____

Address_____

TODD SYSTEM OF CHECK PROTECTION

ERIE WORKERS *own their* HOMES



ERIE 45% U. S. 37% [Urban]

7 out of 10 Have Savings Accounts

ERIE PEOPLE are fair-minded and thrifty—intelligent, steady workers who live well. 8 out of 10 are American born. Nearly every family drives a car and almost all have telephones.

Such high living standards reflect reasonable and friendly relations between Erie employers and employes—mutual respect of rights and interests. The wide diversity of Erie industries insures trained workers for every need.

Erie's unique labor situation is only one of 5 great advantages offered to manufacturers. Get full details about the others, too—market, transportation, raw materials and power.

Vital Facts in This Free Book

"5 Great Advantages" represents months of investigation and study. Its 32 pages are full of basic facts and authentic figures every manufacturer needs to know. Send the coupon. Let our Industrial Board furnish a detailed confidential report of Erie's 5-fold opportunity for you.

ERIE PENNSYLVANIA

free



ERIE CHAMBER OF COMMERCE
Erie, Penna.

*Date*_____

Please send a copy of your booklet "5 Great Advantages."

Name _____

Firm _____

Address _____ N.B.1-28

When writing please mention Nation's Business

Recent Federal Trade Cases

THE annual report of the Federal Trade Commission is more interesting than usual. In it there is a statement of the "newer conceptions" of the Commission's function. Just exactly why "newer conceptions" is not clear, for the Commission was formed with the idea that it should be an aid to business and industry and not the persecutor as it has been up to recently. In addition to this, there is an exposition of the present status of the Clayton Act cases, and complete reports from all divisions of the Commission.

"Trade Practice Conferences" is the title of a pamphlet issued by the Commission dealing with one of the "newer conceptions." Already the Commission has held twenty-five of these conferences which are regarded by many industrial leaders as being the most effective method yet devised for settling disputes that arise from unfair methods in business competition. Elsewhere in the magazine is a story about the Motion Picture Industry conference which gives a picture of how the conferences are held and what they aim to accomplish. Copies of "Trade Practice Conferences" may be obtained from the Superintendent of Documents, Washington, D. C., at fifteen cents per copy.

Gasoline is the main subject of a report to be issued soon dealing with the prices of petroleum. The report analyzes fundamental conditions both in the physical basis of the industry and its corporate organization and business practices.

"Nothing approaching control has been acquired by a single interest over the electric power industry," the Commission stated in its first report on the electric power industry. The second volume of this report will soon be issued. The investigation was instigated by Senator Norris in December, 1924, in order to find out if "there exists in the country today a gigantic trust which controls from one end of the country to the other the generation and distribution of electricity . . . and the manufacture and sale of electrical appliances."

A study of cooperative organizations probably will be presented to Congress in the early part of this session. The inquiry was directed at finding out (1) comparative costs of marketing and distribution, as between cooperatives and other classes of marketers and distributors, and (2) the extent and importance of interference with, and obstruction to, the formation and operation of such associations.

Among the other investigations being conducted are "Open Price Associations," their number, importance, and the effect of their activities with particular reference to alleged violations of the antitrust laws; "Cotton Seed Industry," to see if there is a combination or association to fix prices or to violate any of the antitrust laws; "Bread and Flour," the final report on the cost of a loaf of bread from the time the wheat leaves the farm until the bread is delivered to the consumer.

Garland S. Ferguson, of North Carolina, has been appointed a commissioner to succeed Commissioner John F. Nugent, of Idaho, whose term expired. From 1908 to 1918 Mr. Ferguson was assistant division counsel for the Southern Railway at Greensboro. In 1918, Mr. Ferguson came to Washington as assistant general counsel for the Newport News Shipbuilding Company.

PROCEEDINGS before the Federal Trade Commission, or related to its activities, for the month are recorded here. The most significant items are:

Work of twenty-five trade practice conferences summarized.

Congress to receive important reports of investigations.

Truth in advertising involved in large number of cases settled by stipulation.

Case involving interlocking directorates dismissed.

Trade associations run afoul of Commission on price-fixing scheme.

MANY cases are settled by the Commission without formal action with its attendant publicity being taken. The firms against which it is proposed to take action voluntarily agree to discontinue the alleged unlawful practices. The Commission then issues a brief report for the information of the trade groups interested, but the names are deleted. Those interested may write to us and receive more detailed information about the cases.

Untruthful advertising in the distribution and selling of jewelry is dealt with in "Stipulations 70–71–72." Advertising itself as a manufacturer, when in truth it has no factory and is not a manufacturer, is one of the complaints against a firm. Describing imitation pearls and ivory as genuine and labeling earrings as platinum when they contain no platinum is also charged. Subtle suggestions of "sterling silver" are not allowed unless the metal is genuine sterling silver conforming to the accepted standard of fineness.

The words "Civil Service" cannot be used in advertising a course of instruction by mail. "Stipulation 74" prohibits the promoter of the course from representing that examinations given by him open the way to $1,600 positions in the Railway Mail Service and that the examinations were the same as those given by the Civil Service Commission.

One rug firm, two companies selling and distributing clothing, and an order-taking firm for men's clothing all claimed their



A new Factory every 5 Days

MONTH after month for the past twelve, new industrial plants coming to Piedmont Carolinas have averaged one every five days. What are the causes behind this migration?

They have all found in this section what every business man hunts for—a combination of factors that contribute to low costs and large profits:



Contented Labor

With living expenses averaging some $7 per week less than in closely built-up, highly industrialized sections, skilled labor costs less, but saves more out of the pay envelope. For every workman in industry, three are still on farms and eager for factory work. They are 99% native born of old pioneer stock, loyal, intelligent and quick to learn.



Active Markets

Industry makes payrolls and payrolls make markets. Busy industry in Piedmont Carolinas has created an active market for manufacturers in many lines not at present produced locally. Automobile registration, use of electric current and per capita wealth are all increasing at *double* the national rate.



Limitless Raw Material

In value of agricultural products, North Carolina alone ranks seventh among the states of the Union. Piedmont Carolinas contains practically all of certain of the Nation's mineral resources, and draws upon the largest stand of hardwood timber east of the Mississippi. Field and forest, mine and quarry all supply a varied *and thriving* industrial life.



Living Conditions

are unusually pleasant. Summer temperatures are no higher than Northern Pennsylvania's, while the winters are 10° to 20° warmer. The industrial development has brought modern comforts, but has not caused congestion, nor crowded out neighborliness and kindly hospitality. Good living goes hand in hand with opportunity.



Unfailing Power

Mountain rainfall, one of the country's heaviest, (70 inches per year—exceeded only by small coastal areas in the Pacific Northwest) feeds the rapid streams of Piedmont Carolinas. Hydro-electric development of these rivers has been carried to a high degree, providing abundant power for all types of industry.



FACTS

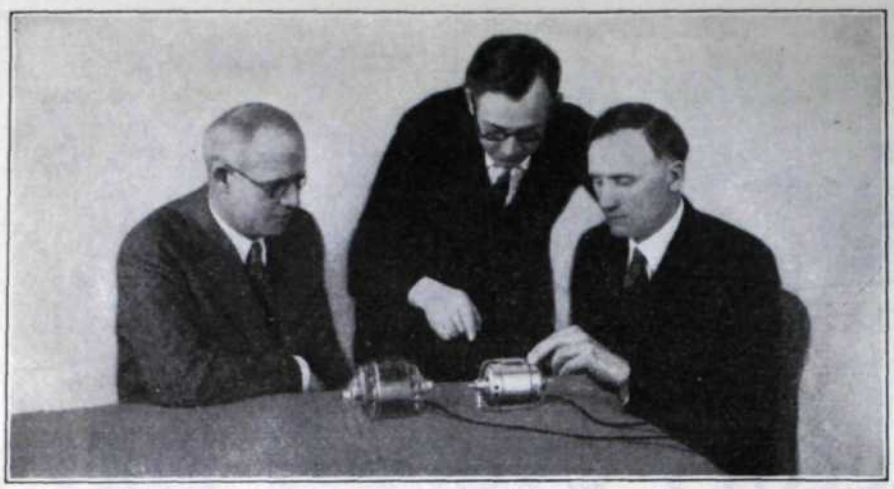
If you want the facts that apply to *your* business—data on wages, raw materials, power, markets, climate, living conditions, etc.—you will enjoy this book—*Piedmont Carolinas, Where Wealth Awaits You.* Brief. Compressed, yet complete. Full of up-to-the-minute facts. Send for it.

Your request, addressed to our Industrial Department, Room 110, Mercantile Building, Charlotte, N. C., will receive a prompt and courteous response. Write, *today.*

Locating in PIEDMONT CAROLINAS

DUKE POWER COMPANY

{ OWNERS OF SOUTHERN POWER COMPANY, SOUTHERN PUBLIC UTILITIES COMPANY & ALLIED INTERESTS }



Do Your Motors Walk Around?

YOU can see and feel the effect of dynamic balance in a universal motor. To prove this statement place a Dumore motor on your desk beside any other universal motor and run the two at working speed.

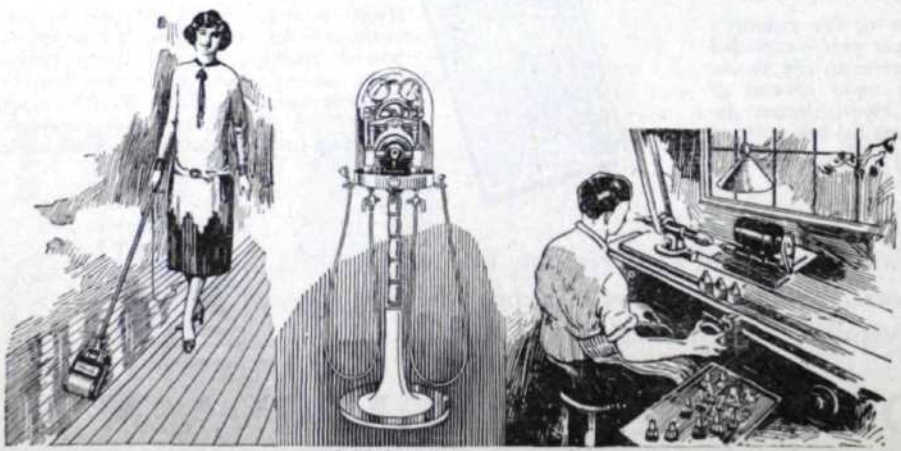
The Dumore motor will lie still, run quietly and smoothly. By comparison the other motor will be noisy and will move about. Noise and motion are caused by vibration due to imperfect balance. This harmful vibration can be eliminated in only one way—by proper use of our dynamic balancing machine. Any other method fails to locate *all* the unbalanced weight and *the point* at which it exists in a motor armature.

DUMORE
MOTORS
Are Used
in

Floor Polishers
Vacuum Cleaners
Drink Mixers
Electric Grinders
Hair Driers
Air Compressors
Oil Burners
Bilge Pumps
Picture Projectors
Dental Engines
Routing Machines
Electric Drills
Jewelers' Tools
and scores
of other
appliances.

Manufacturers of many different types of machines have learned that this single feature of Dumore motors, which has such far-reaching results, gives their product distinct and exclusive selling points. The advantages of dynamic balance as applied to your product, will be fully explained by our engineering department without obligation to you. Write.

WISCONSIN ELECTRIC COMPANY
89 Sixteenth St. Racine, Wisconsin



Johnson's Wax Polisher — C. M. Sorenson Tankless Air Compressor — Dumore Grinder

When writing to Wisconsin Electric Company *please mention Nation's Business*

goods as coming from their own "mills." They agreed to stop these practices in "Stipulations 76–77–92–80."

Phonetic and other queer ways of spelling seldom protect advertisers from the charge that they are trying to suggest they are something they, in fact, aren't. "Stipulations 73–75–79–83" deal with various misrepresentations of silk, wool and Chinese dog skins. Both the first two practices are common. Cotton products are often described as being made of wool. Labelling Chinese dog skins as "Imported Manchurian Fox" was another complaint. Clever combination words implying that a product contains satin are not uncommon in the exhibits of unfair advertising received by the Commission.

TWO candy lottery schemes were squelched recently ("Stipulations 78 and 82"). One manufacturer sold his candy in paper bags which contained a slip of paper on which was printed one of the letters comprising the name under which the candy was sold. A premium was given to the retail purchaser who obtained all the letters making up the name of the candy. The other scheme was to give to the purchaser of a pink-centered candy a premium. Since there were but eight pink to 100 white centered pieces, it was held the purchaser obtained the premium wholly by chance.

Shoes must not be branded as "Munson Last, Army Shoe" unless shoes so stamped are made under government contract or are surplus stock of the army or government. Calf skin can't be sold as "kid" according to another stipulation ("Stipulations 81 and 84").

Labels containing the words "steel" and "cast steel" were used by a company selling and distributing tools to advertise a material which lacked the constituent elements necessary to be properly designated as steel ("Stipulation 85").

The chemical products manufactured by three companies and used for cementing engine gaskets cannot be called "shellac" unless it is 100 per cent shellac gum cut in alcohol. However, as a concession it is allowable, if the product contains less than 100 per cent shellac gum, to label it "shellac compound." If there is no shellac in the substance offered for sale then the word "shellac" shall not appear in the advertising ("Stipulations 86–88–89–93–95").

REDUCTION of excess fat was promised to purchasers of certain tablets by the individual involved in "Stipulation 87" who advertised his preparation as being carefully analyzed and tested and made it known that he had "laboratories" in which these articles were made. According to the Commission all these statements were contrary to fact.

A jobber of Christmas toys and other gift articles has agreed no longer to claim he is a manufacturer ("Stipulation 90").

Blankets made of cotton and wool cannot be called "wool" according to "Stipulation 91."

Barre, Vermont, is known to the granite trade as the "Granite City." Unless granite tombstones actually come from there, the word "Barre" should not be used ("Stipulation 96").

PARTS of tools not actually manufactured of steel must not be advertised and sold as being manufactured of "steel," according to a ruling of the Commission in a case against a firm in Marion, In-

diana (Docket 1340). The complaint was dismissed when the company agreed not to use the word "steel" in connection with the manufacture and sale of these parts of tools.

AN ORDER involving an alleged violation of Section 8 of the Clayton Act, forbidding interlocking directorates, was dismissed (Docket 457). The charge involved a meat company of San Francisco and a packing company of Reno. The dismissal was made following the resignation of a director who held offices in both companies. A year ago the Supreme Court confirmed another order of the Commission against these companies involving violation of Section 7 of the Clayton Act and Section 5 of the Federal Trade Commission Act regarding acquisitions of stock in restraint of trade.

ADHERENCE to the rules adopted at the trade practice conference for correspondence schools relieved a Kansas City firm from prosecution by the Commission. The charges against the firm involved misrepresentation of prices to customers and misstatement of the firm's size and importance (Docket 1484).

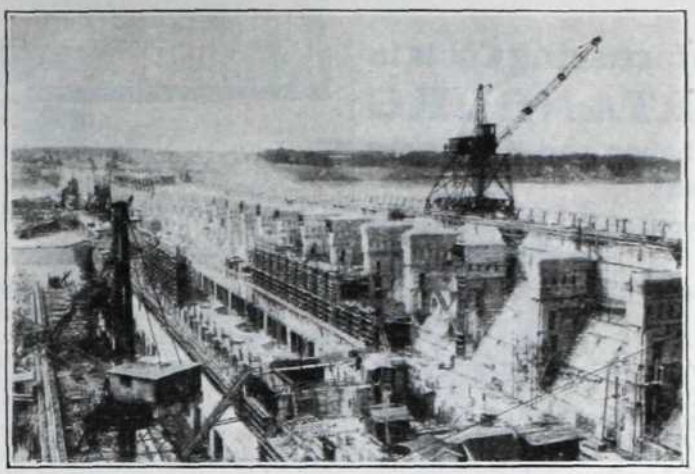
TRADE associations as a whole have long since given up the illegal practice of price fixing. However, the Commission found that two Washington trade associations and a large company, all engaged in the business of milling grain or the wholesaling of flour and other cereal products and of feed and foodstuffs for cattle and poultry, were combining for control of uniform prices, discounts and terms of sale, distribution and delivery of grain products (Docket 1345).

WE DON'T KNOW, but we rather suspect, that the Commission has gone Mayor Thompson one better. A recent decision prohibits the use of the word "British" to describe bath or toilet soaps manufactured in the United States (Docket 1360). According to the Commission, "British-made soaps have gained widespread popularity in this country so that many consumers prefer such products to the domestic brand." Those who may have scoffed at the idea of a plot to annex this country to Britain can certainly no longer doubt when they see to what an extent British influence has penetrated to the most intimate and private moments of our lives.

THE Commission has ordered an individual of Williamsport, Pennsylvania, to desist from the practice of advertising that his battery solution will instantly charge storage batteries with electrical current or that it will charge such batteries in from twenty to forty minutes. (Docket 1477.)

VOLUME VIII of "Federal Trade Commission Decisions," comprising decisions from July 21, 1924, to March 22, 1925, is now ready for distribution and may be had from the Superintendent of Documents, Government Printing Office, Washington, for $1.75 a copy.

Copies of the Commission's complaints, respondents' answers, and the Commission's orders to "cease and desist," or of dismissal may be obtained from the offices of the Editor of NATION'S BUSINESS, Washington, D. C., without charge by reference to the docket number. Transcripts of testimony may be inspected in Washington, or purchased at 25 cents a page from the official reporter, whose name is obtainable from the Commission.—*The Editor.*



Wilson Dam in the Building.
Most of the Material Handling Machinery Used on Large and Small Engineering Projects is Equipped with Twin Disc Clutches.

Standard on Leading Makes of Industrial Machines



A large and highly specialized factory, equipped for volume production, enables us to supply manufacturers with Twin Disc Clutches at a distinct saving.

TO builders of industrial machines that require the use of highly dependable clutches, this Company offers a helpful engineering service.

Properly installed in such machines the Twin Disc Clutch:

Increases their working capacity,
Prolongs their useful life,
Gives the operator complete and sensitive control,
Is easily maintained in perfect adjustment,
Effects marked savings in operating and upkeep costs,
Prevents annoying and expensive delays,
Cuts down sales resistance and expense.

As evidence of the value of Twin Disc engineering service, for which no charge is made but without which our product is never sold to new customers, Twin Disc clutches are standard equipment on a majority of the leading industrial machines.

Send your specifications, requirements or problems to our engineers. There is no obligation.

TWIN DISC CLUTCH COMPANY
RACINE WISCONSIN

TWIN DISC CLUTCHES

When writing to TWIN DISC CLUTCH COMPANY *please mention Nation's Business*

Cut Manufacturing Costs in SPARTANBURG

where Labor and Power are Abundant and Reasonable



This Survey Gives the Facts

HERE WAGES AVERAGE $13.37 per week as against $22.40 a week in New England, and even higher averages elsewhere. Labor costs are 30% lower in Spartanburg and mill construction costs 20% lower.

And labor is plentiful in Spartanburg. It is faithful and efficient. It is intelligent, with the will to work. Due to ideal living and working conditions, Spartanburg has no labor disturbances, no strikes, no interruptions to industry.

Some Other Spartanburg Advantages

TRANSPORTATION: Two trunk lines to Middle West. Two to Atlantic Coast. On main line of Southern Railway from New York to New Orleans.

POWER: In the center of the country's great hydro-electric area and at the door of the Southeastern coal fields.

COAL: In close touch with great coal fields. Best grades of steam coal obtained at low cost.

WATER: Four large rivers and many small, bold streams assure abundant year-round supply.

LABOR: White, All American, Intelligent. Used to longer hours and productive work. Labor unrest unknown and labor turnover almost negligible.

TAXES: "No taxation tricks." Taxation basis very favorable to successful industrial operation.

AIR MAIL: Regular stop on U. S. Postal Air Mail Route, 6 hours to New York.

Get Complete Details

Write for survey applying to your own product. You will be surprised to learn how much more economically it may be manufactured here. Your investigation costs you nothing.

INDUSTRIAL COMMISSION - CHAMBER OF COMMERCE
1400 MONTGOMERY BUILDING - SPARTANBURG, S. C.

SPARTANBURG



"The Hub City of the Southeast"

SOUTH CAROLINA

ULTRAVIOLET

What do you know about it?

THE whole world is eagerly following the advances of medical science in using Ultraviolet to promote health. In most any casual conversation, immediate interest is aroused by reference to the Alpine Sun Lamp which, in the physician's office or in the home, provides a rich flood of stimulating light at the turn of a switch. ¶ Do you know the *facts* about ultraviolet... why it is so important to everyone under modern conditions... why its therapeutic use should be directed by a physician? Write for the informative booklet "Ultraviolet for Health," free.

FREE



HANOVIA CHEMICAL & MFG. CO.
Chestnut Street and N. J. R. R. Ave.
Dept. E. Newark, N. J.

ON THE BUSINESS BOOKSHELF



Harmony Between Labor and Capital, by Oscar Newfang. G. P. Putnam's Sons, New York, 1927. $2.

"With the exception of international war, there is no cause of disturbance to the welfare of nations so widespread and so destructive as industrial warfare."

Mr. Newfang in this present book attempts to clear the causes of industrial strife and establish industrial harmony.

Karl Marx's system was basically wrong as is a complete exploitation of labor by capital. In brief, Mr. Newfang's plan is to treat capital as a commodity which should have a just return plus a varying percentage commensurate with the risks involved. The surplus earnings (if any) should go to labor which includes management.

That's a compromise and is hardly more radical than our treatment of public service companies. But Government is to have the job of deciding what is a just return, and squeezing water out of stocks.

That would be to involve industry hopelessly in red tape. Witness the railroad valuation!

Chamber of Commerce Administration. Published by the Board of Managers of the National School for Commercial and Trade Organization Executives. Chicago, 1927. $3.

This volume is the result of seven years of practical experience at the National School for Commercial and Trade Organization Executives. Its chapters deal with organization or structure of a Chamber of Commerce, Program of Work, Meetings and Committee Management, Membership, Finance, Publicity, Office Administration, Commercial Activities, Industrial Activities, Civic Activities.

In previous years the various chapters have been issued as separate pamphlets, in the preparation of which the leading secretaries of the country have been enlisted. Each year there was some revision based on experience in use of the pamphlet. Last winter the board decided that these pamphlets now justify publication in a form which makes them available to others than students at the school, from whom there has been a constant demand.

Industrial Research Laboratories of the United States, by Clarence J. West and Ervye L. Risher. National Academy of Sciences, Washington, D. C., 1927.

The present revision of Research Laboratories contains data for 1,000 laboratories. The two prior editions listed about 300 and 500 respectively. Laboratories connected with federal, state or municipal governments, or with educational institutions, have been excluded from this survey.

The address, extent of staff, and chief lines of research work are given for the laboratories listed. They are also listed by subjects.

RECENT BOOKS RECEIVED

Administration of Private Social Service Agencies—A Topical Bibliography, by W. W. Burke. University of Chicago Press, Chicago, 1927. $0.75.

Advertisement Writing, by Gilbert Russell. Ernest Benn Ltd., London, 1927. 8s. 6d. net.

Auditing Theory and Practice, by Robert H. Montgomery. (Fourth Edition.) The Ronald Press Company, New York, 1927. $6.

The Bridge to France, by Edward N. Hurley. J. B. Lippincott Company, Philadelphia, 1927. $5.

The Bureau of Plant Industry, by Fred Wilbur Powell. The Johns Hopkins Press, Baltimore, Md., 1927. $1.

Business Cycles and Business Measurements, by Carl Snyder. The Macmillan Company, New York, 1927. $6.

Business Cycles—The Problem and Its Setting, by Wesley C. Mitchell. National Bureau of Economic Research, Inc., New York, 1927.

By-Products in the Packing Industry, by Rudolf A. Clemen. University of Chicago Press, Chicago, 1927. $4.

Commerce Yearbook, 1926, by Julius Klein. (Volume 1, United States.) Superintendent of Documents, Government Printing Office, Washington, D. C., 1927. $1.

Cost of Government in the United States 1925-1926. National Industrial Conference Board, Inc., New York, 1927. $3.50.

The Economics of Instalment Selling, by Edwin R. A. Seligman. Harper & Brothers, Publishers, New York, 1927. Two volumes, $4 the volume.

Essentials of International Trade, by Simon Litman. (Second Edition.) John Wiley & Sons, Inc., New York, 1927. $3.50.

The Income and Standard of Living of Unskilled Laborers in Chicago, by Leila Houghteling. The University of Chicago Press, Chicago, 1927.

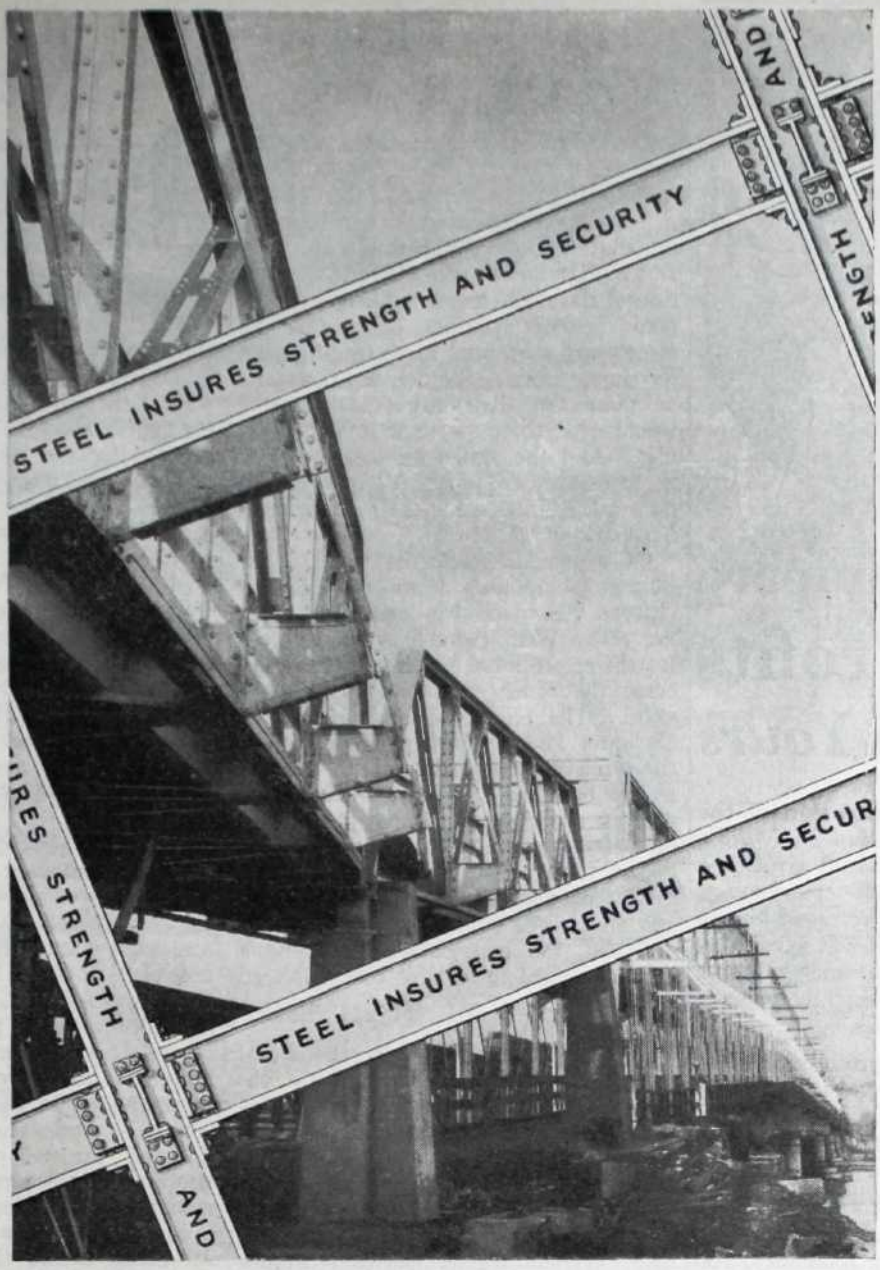
Industrial Art and the Museum, by Charles R. Richards. The Macmillan Company, New York, 1927. $1.50.

The International Accounts, by Cleona Lewis. The Macmillan Company, New York, 1927. $2.

Manual for Small Museums, by Laurence Vail Coleman. G. P. Putnam's Sons, New York, 1927.

The Mexican Question, by William English Walling. Robins Press, New York, 1927. $2.

The Tariff, by George Crompton. The Macmillan Company, New York, 1927. $2.50.



THIS IS TRUE PERMANENCE

In 1873, fifty-five years ago, a single-track steel bridge was built across the Susquehanna at Havre de Grace. It did service as a railroad bridge until 1908 when, rails removed and flooring laid, it became a highway bridge. With time the flood of traffic grew until last year more than 275,000 vehicles crossed it —maximum daily traffic reached 4500 cars. Greater facilities became imperative.

Only with so flexible, so adaptable a structural material as steel could the most economical solution have been found. Another level—an upper deck—was built over the old roadway. The original structure was found easily, economically adaptable to the new plan. The Havre de Grace bridge has been doubled in capacity at a bare fraction of the cost of a new bridge! It is good for another half-century of use! What other structural material can offer the true permanence that comes with steel—adaptability that defeats obsolescence—enduring strength—certain economy?

Send for your complimentary copy of the fact-book, "STEEL NEVER FAILS."

AMERICAN INSTITUTE OF STEEL CONSTRUCTION, INC.

The co-operative non-profit service organization of the structural steel industry of the United States and Canada. Correspondence is invited. 285 Madison Avenue, New York City.

Steel Insures Strength and Security

Selling South



—Then Compare Plant Profits *Here* with *Yours*

ANALYSIS and comparison of the records of plant operation in Middle Georgia reveal unusual profits—profits based largely on low production costs. Figures recently released for the first eight months of 1927 show this district far ahead of national averages in plant output, industrial employment and retail business.

One reason for low production costs is living costs—15% below the national average. Another—cheap hydro-electric power. A third is the quick, low cost transportation to a ten-state market of more than 21 million people.

The Middle Georgia Industrial Area is a territory of approximately 100 miles square, lying at the foothills of the Piedmont Plateau. Population—875,000. Mild climate—64 degrees, year 'round average.

If you're selling in the South, without a Southern plant—get the facts on plant operation here. Write, industrial bureau,

CHAMBER OF COMMERCE
Macon, Georgia

MIDDLE GEORGIA



Industrial Area

—Where Production Savings Alone Will Pay Plant Dividends!

CHIPS FROM THE EDITOR'S WORK BENCH



INGENUITY is a virtue of that suggestion to borrow the night for solution of the traffic problem. But a proposal to make deliveries during the night hours is likely to command general attention only when the streets can absorb no more traffic in the daytime. Besides the drivers, the staffs at points of distribution and receipt would need to revise their living schedules. And the added amount of goods in transit would put more pressure on police departments for the protection of business.

Of course, it might be wise to anticipate complaints from old-fashioned citizens who persist in using the night for rest. Well, there is small comfort for them. Rumble and clamor have become the order of the night in great cities. The public demands service at all hours, and everywhere noise attends the ministrations to its wants. Discord is not banished from the tortured ear without the shelter of sound-proof walls or the consolation of cotton.

Yet, if there is no promise of silence in this proposal for relaxing street congestion, it does sound a note of novelty. At least, the householder would be a little surprised to find his coal delivered with his eggs.

ARTIFICIAL trade walls the world still has, but it is commonly observed that business is continually interested in leveling or piercing Nature's bulwarks against commerce between nations. A present example of this concern to expedite the flow of trade is the tremendous engineering exploit in the Pyrenees, age-old barrier between France and Spain. Over and through that towering bulge of rock an electric railway will be built. With it will connect a line from the Midi Railroad in Southern France, and the Spanish railroad system that joins Barcelona, Madrid and other important cities.

Now, the service is confined to the mountain slopes near the seaboard. Elsewhere, lines can be built only through solution of difficult problems of engineering. When the project is completed, the terminals on opposite sides of the range will be linked, and through movement of goods and passengers will be possible. Use of this new facility is likely to provide reason for revising the adage about the vital force in commerce. For convenience is also a necessary quality in the life of trade.

THAT women wear a great deal less than they once did is public information. Just how much less was discovered by the Bureau of Home Economics, Department of Agriculture. A pattern for a dress in 1919 required 5 7/8 yards of 36-inch material, the Bureau found, but a pattern for the 1927 model took only 4 1/6 yards of material of the same width, a reduction of about 1 2/3 yards. Multiply that cut by the number of women who follow the iron whims of fashion—and who of them does not?—and the resulting figures would be the amount of goods affected by the "shorter skirt, lowered waistline, and narrower flounce."

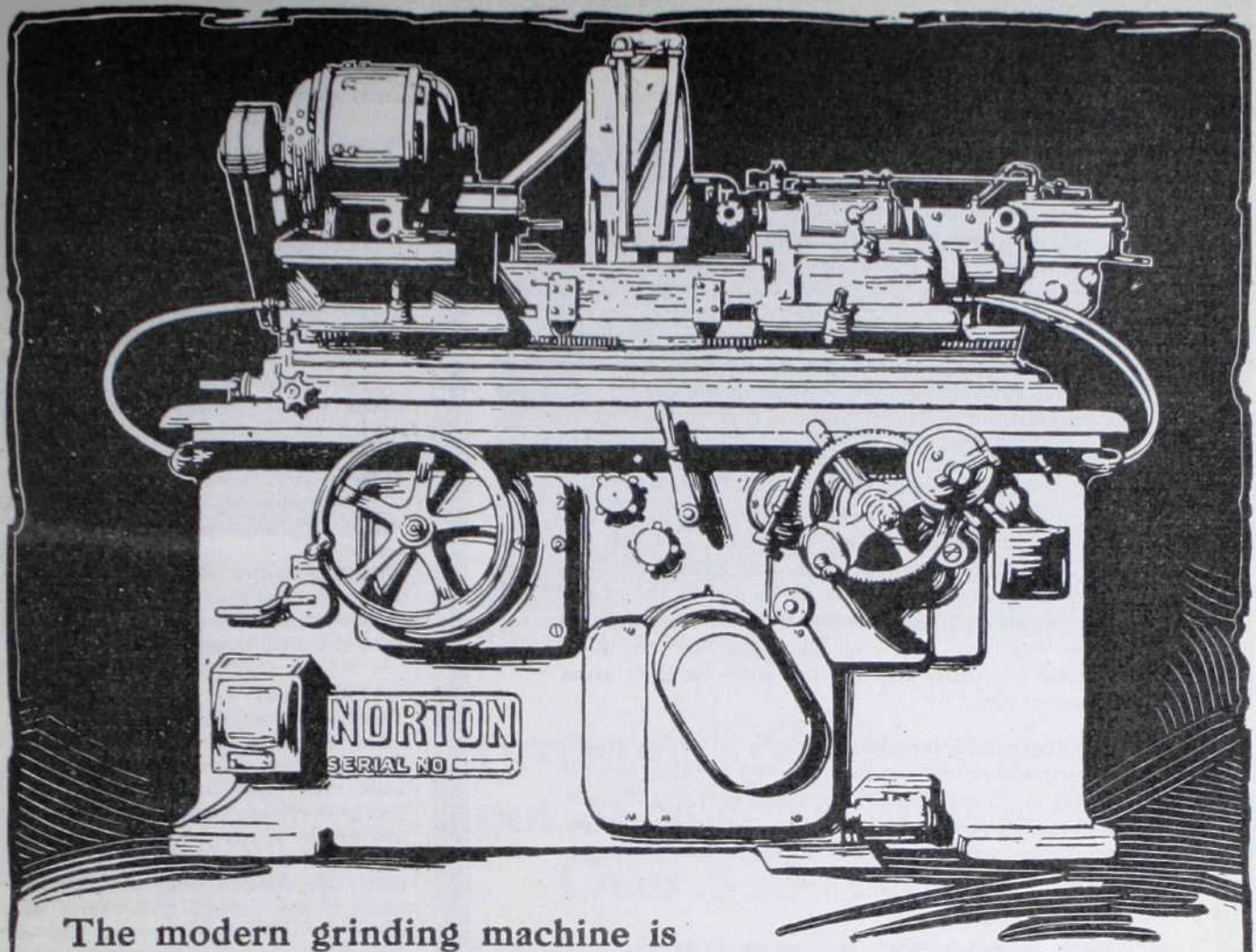
Here are solemn statistics to amend the vaudeville patter about short skirts making men look longer. Permanent loss of a market for millions of yards would be enough to make all the dress goods manufacturers in America look long-faced for life. But the deficiency indicated by the Bureau's figures signifies an altered distribution rather than a loss of yardage outlet. As large a volume can be moved by seeing that four skirts are sold where only three were sold before.

IN ITS campaign for the professional solidarity of its own group, the American Association of Engineers cites the somewhat paradoxical group consciousness of doctors and lawyers. For though they are "soloists" in their work, they also appreciate the power of professional unity. It is commonly observed that the objects of their organized frowning are hard pressed to gain public confidence. The very designations of "quack" and "jackleg" are well calculated to stigmatize the practitioners who do not observe recognized professional taboos.

But establishment of inviolable ethical codes is not the only product of professional solidarity. To the members of the medical and law groups it is highly important that their careers stand for something in the public mind, and that their services receive a full measure of public recognition. It is to those benefits that the attention of the engineers is now directed.

"If Noah were to build an ark today," asks the Association's secretary, "would he acquire the immortality of undying fame?" For answer, he says "Scarcely," and writes his belief that search would be necessary among the specifications to find the name of the engineer, though "history would record the proud fact that the ark was constructed during the administration of Mayor Whoosis."

That judgment seems a little too pessimistic. Some justification it has, of course. But of all the millions who have used the Eads bridge, the McAdoo tubes, the canal that Goethals dug, or the Holland tunnel, how many knew or cared in whose administration they were done? Let the engineers be comforted. By



The modern grinding machine is giving to the world high production with extreme accuracy.

The first Norton Grinding Machine, in 1900, carried a wheel two inches wide—a radical change from the ½ inch wheels then in use. Another revolutionary Norton development soon followed—the method of grinding with a wheel the full width of the work in one straight-in-cut. Today wheels as wide as 9 inches are in common use, while the latest Norton machine will accommodate a wheel 15 inches wide.

The increases in production resulting from these Norton machine developments have been sensational. Crankshafts, for instance, which were ground in 1904 in two hours are now ground in from 12 to 15 minutes. Automobile pistons are finished today by Norton machines at the rate of three a minute within limits of accuracy of 1/1000 of an inch (approximately one third the thickness of this page).

NORTON COMPANY WORCESTER, MASS.

NORTON

Grinding Wheels
Grinding Machines

Refractories-Floor and Stair Tiles

Those Old TITANS Who Wanted Facts

Every now and then, the picture of some industrial giant or financial genius of twenty-five or thirty years ago, appears in a current magazine.

No matter who the old gentleman may be, he is apt to be credited with having said, "I want the *facts.*" And to any one familiar with the biographies of some of these grand old men, it is hardly questionable that they *did* want the facts and said so.

They hungered for facts, these old Titans—facts on trade conditions, on markets, materials, processes, inventories, costs, organization, sales—facts on the wastes in their business, leaks and mistakes. That facts were obscure and hard to get in their day only stimulated their desire for exact knowledge. They searched and *dug* for facts, and on them visioned the future and laid the plans for their great achievements.

All progressive business, striving to attain larger reward and new heights in human service, has for its slogan, *Facts.* And Modern Accountancy stresses the *necessity* for facts, timely, dependable, properly interpreted—and has made them, to a large extent, readily available.

ERNST & ERNST

ACCOUNTANTS AND AUDITORS

SYSTEM SERVICE

NEW YORK	PITTSBURGH	CLEVELAND	CHICAGO	NEW ORLEANS
PHILADELPHIA	WHEELING	AKRON	MILWAUKEE	JACKSON
BOSTON	ERIE	CANTON	MINNEAPOLIS	DALLAS
PROVIDENCE	ATLANTA	COLUMBUS	ST. PAUL	FORT WORTH
BALTIMORE	MIAMI	YOUNGSTOWN	INDIANAPOLIS	HOUSTON
RICHMOND	TAMPA	TOLEDO	FORT WAYNE	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	ST. LOUIS	DAVENPORT	WACO
WASHINGTON	DAYTON	MEMPHIS	DETROIT	DENVER
BUFFALO	LOUISVILLE	KANSAS CITY	GRAND RAPIDS	SAN FRANCISCO
ROCHESTER	HUNTINGTON	OMAHA	KALAMAZOO	LOS ANGELES

Scientific Facts About Diet

A CONDENSED book on diet entitled "Eating for Health and Efficiency" has been published for *free distribution* by the Health Extension Bureau of Battle Creek, Mich. Contains set of health rules, many of which may be easily followed right at home or while traveling. You will find in this book a wealth of information about food elements and their relation to physical welfare.

This book is for those who wish to keep physically fit and maintain normal weight. Not intended as a guide for chronic invalids as all such cases require the care of a competent physician. Name and address on card will bring it without cost or obligation

HEALTH EXTENSION BUREAU
SUITE H-438 GOOD HEALTH BLDG.
BATTLE CREEK, MICHIGAN

LITHOGRAPHED LETTERHEADS

$1.25 per 1000

IN LOTS OF 50,000
25,000 at $1.50—12,500 at $1.75 or 6,250 our Minimum at $2.25 per 1000
Complete—Delivered in New York

ON OUR 20 LB. WHITE PARAMOUNT BOND

A Beautiful, Strong, Snappy Sheet
HIGHEST GRADE ART WORK AND ENGRAVINGS
GEO. MORRISON COMPANY
553 West 22nd St. New York City
SEND FOR BOOKLET OF PAPER AND ENGRAVINGS

their works they will be known. Greatness will out, and the world will delight to acknowledge it. No other name obscures the glory of Noah's faith. The world knows his ark as *Noah's* ark.

THE SIZE of the nation's market basket is less a guess for the estimate of the amount of our annual food bill given to the convention of the American Grocery Specialty Manufacturers' Association. At $22,000,000,000 the amount was fixed by A. C. Monagle of New York. Into that rotund reckoning went all the products bought from grocers, butchers, and confectioners.

And for the specialty makers, themselves, no doubt there was food for thought in the number of outlets for their wares—351,000 groceries, Mr. Monagle said, 61,563 places where candy is sold exclusively, and 19,000 shops selling only bakery goods. Those figures are more than rhetorical ornaments. They are timely measures of inviting market possibilities. They are excellent range finders for scoring direct hits with sales and advertising campaigns.

THERE was news and considerable scope for surprise in the report that there are two hundred and fifty correspondence schools in this country, with more than 2,500,000 students. Organized as the Home Study Council, twenty-five of the schools, including university extensions, have adopted rigid requirements for administering their instruction. It was through their efforts that principles of business conduct for all correspondence schools were promulgated by the Federal Trade Commission. By that action the "correspondence school diploma" is likely to rise to a new level of respect in the public mind.

It is the Council's word that a good many sorts and conditions of men take the courses. There is the lonely oil salesman in Siam who wants to get more mail from the States, and the young fellow who tries to make capital of the dullness of life in a small town, and the well-to-do man who makes a hobby of mastering subject after subject. To their expectant ears it may easily be that the postman's whistle is the nation's school bell.

IT IS reasonable enough that the four estates which sufficed for Edmund Burke's grouping of mankind should not be adequate to modern life. Ingenious and impressive expansions of his classification have not been lacking. Latest, perhaps, is the designation of "civics" as the "fifth estate." Certainly the *New York Times* has inspiration enough for that label in the work of New York's Fifth Avenue Association.

But, beyond that excellent local justification, it is apparent that civic associations are attaining new levels of public confidence. Though occasionally suffering from excessive zeal or the professional aspects of high-pressure drives, they are demonstrating their usefulness

in quickening public interest in the existence of community problems and the ways to their solution.

For the public there is present cause for satisfaction in the character and special schooling of the men whose careers are in course of identification with the commercial and community organization field. No longer is their chief persuasion in a pocketful of perfectos or flabby sentimentality. The principles of business administration and public finance can become eloquent pleaders on occasion. The old-time backslapping has yielded to more businesslike methods for establishing contacts. It was a significant advance when volunteers in civic organizations were supplanted with paid workers. But it is far more to the purpose that the workers are trained.

IN AN age that holds business uprightness the rule and not the exception, it is the unethical conduct that makes news. But though fair dealing is the usual expectation, there is cause for public gratification in the prompt concern of three great investment houses to see that their recommendations caused no loss to investors.

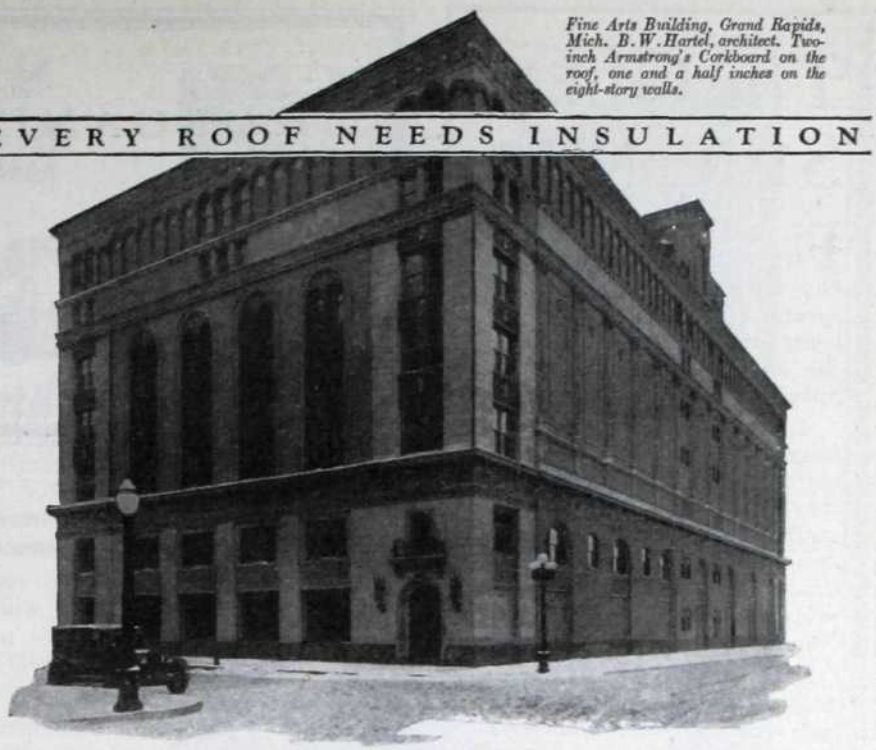
When Hayden, Stone and Company found that engineers had overestimated the earning capacity of a coal company for which the bankers were selling a bond issue of $800,000, they did not look for someone to hold the bag. The coal company's equipment was sold, but the sale brought a relatively small amount. Although not legally bound to make good the losses of bond purchasers, these bankers agreed not only to pay the cost of prosecuting all claims against the coal company but also to make good the ultimate losses on the bonds.

A bond issue of a gas and fuel company offered by Halsey, Stuart and Company resulted in a similar action by this firm. Between the time when subscriptions were received and the actual issue of the bonds, the market rate on comparable outstanding issues declined. Thereupon the firm sent to all subscribers the difference between the offering price and the current market value.

The third case is that of the $13,000,000 bond issue of a steel company offered through the National City Company. When discrepancies were found in the steel company's financial statement, the banking house, at considerable cost, called in the bonds, refunded the purchasing price and paid interest to cover the period during which the buyers had their money tied up, absorbing all the costs of the abortive transaction.

To contend that these operations were no more than "good business" is to grudge the acknowledgment of progress in business ethics. The deeper significance here is the indicated unity between self-imposed standards of commercial practice and the most idealistic concepts of personal conduct. More and more, it is seen, the dictates of "good business" are for the public good.

RAYMOND C. WILLOUGHBY.



Fine Arts Building, Grand Rapids, Mich. B. W. Hartel, architect. Two-inch Armstrong's Corkboard on the roof, one and a half inches on the eight-story walls.

EVERY ROOF NEEDS INSULATION

Armstrong's Corkboard on the Roof of this Building is Saving Over $300.00 a Year

THE use of Armstrong's Corkboard for insulating the roof and eight-story walls of the Fine Arts Building, Grand Rapids, Mich., has been so effective in reducing the loss of heat that, according to a report by A. C. Nielsen Company, investigating engineers, the saving in steam heating cost for the season 1926-27 was $511.35. Figuring an annual cost of $191.40 for the insulation, the cork saves $319.94 per year besides making the top floor much more comfortable during the summer months.

The Nielsen report on the cost of insulation and the resultant saving has been reprinted and a copy will be sent you on request. From this you will be able to judge what you may expect in comfort and economy by insulating your roofs with Armstrong's Corkboard. Armstrong Cork & Insulation Company, 195 Twenty-fourth Street, Pittsburgh, Pa.; McGill Bldg., Montreal; 11 Brant Street, Toronto.

Armstrong's Corkboard Insulation

for the Roofs of All Kinds of Buildings

When writing to ARMSTRONG CORK & INSULATION COMPANY *please mention Nation's Business*

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IN all America, there is no other place like this—where the Radio-active mineral springs and the natural Nauheim brine baths offer you all the advantages of European Spas.

An estate of a thousand pine-fragrant acres. A setting of matchless scenic loveliness in the heart of the Finger Lake country. A justly famous cuisine, with private Dairy and Poultry farms. A daily concert program. Visit "the American Nauheim" this winter—and take off ten years!

The Baths and other treatments are especially suitable for heart, circulatory, kidney, nutritional and nervous disorders, rheumatism, gout, and obesity. Complete medical and hydrotherapeutic facilities, and modern aids to diagnosis. Write for illustrated booklets:

THE GLEN SPRINGS
WATKINS GLEN • New York

WILLIAM M. LEFFINGWELL, *President*



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ARIZONA OLD MEXICO

Transfer at Tucson and take in the fun at Nogales—less than 2 hours, over fine highway or by Southern Pacific R. R.

This is Arizona's real "oasis." Lots of clean sport and entertainment here! Hotels . . cafes . . hunting and fishing in scenic Sonora, Mexico. No red tape—border never closed.

Enjoy a good time in Nogales! You'll find climate, scenery, and a mighty good place to live.

NOGALES WONDERLAND CLUB, Inc., Nogales, Ariz.
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NEWS OF ORGANIZED BUSINESS



The first so-called Chamber of Commerce is organized at Marseilles—1650

WHY a Chamber of Commerce? A Chamber of Commerce is the personified business of a community speaking and acting for the common good.

Show me a live town and I will show you a live Chamber of Commerce. A dead Chamber of Commerce means that the town has gone to sleep. In other words, a town is known by the Chamber of Commerce it keeps.

No individual, firm or corporation can organize a civic enterprise and carry it to a successful conclusion single handed. Such work requires cooperation of all interests, and such cooperation can be obtained only through an organized body. There is no exception.

This does not mean that individual initiative is to be discounted. It means, rather, that the Chamber of Commerce gives the widest scope for individual initiative to assert itself.

The Chamber of Commerce, however, renders ineffective that deadly jealousy which so often confronts individual initiative in civic development movements. When individual initiative is exercised in a Chamber of Commerce, it does not stand out boldly as such, for every member of the organization has an opportunity to discuss the initiatory measure proposed. If it is any good, he can adopt it and make it in part, at least, his own individual initiative.

The human family has adopted marriage and home as the best plan so far devised for the comfort and convenience of the race. Likewise the city has adopted the Chamber of Commerce as the most dependable instrument so far invented for civic progress.—J. FRANK JARRELL.

Cutting Costs Expenditures for public education in the United States have more than doubled since 1920. Citizens are demanding justification of these costs in terms of tangible results. The American Council on Education and the Civic Development Department of the National Chamber are working on a plan which, if wisely used, will develop "citizens who know how to take hold in life." When this result is attained all question about "the cost of education will vanish."

But what is this plan and how does it concern the business man? To quote briefly from a pamphlet published by the Council on "Job Specification":

> The project initiated by the American Council on Education in 1922 for salvaging war experiences has now been developed by it into a clearly defined cooperative experiment between business and education. The purpose is to evolve a coherent personnel procedure that helps men and women find the work they can do best. Job specifications of the type here presented are important instruments in making the experiment. By their use business, industry and the professions can depict the world's work in a manner that helps themselves and also makes it possible for schools to do a better job. The other half of the experiment consists in developing record cards, tests of achievement and other similar instruments by which schools may help themselves and also depict the achievements and tastes of students in a manner that will guide them to appropriate life occupations. Industries profit from this work by reduced costs of breaking in and of turnover. This second half of the experiment is also under way; but that is another story.

The Chamber of Commerce of the United States is cooperating with the Council in this experiment. The Committee on Education of the Chamber has adopted the plan of working with local Chambers in a few communities to make local business firms and local schools mutually more helpful by the process of exchange of reliable information as just described. When the details of operation have been worked out in a few cases, other communities will be encouraged to similar action.

In addition to practical values in administration, the writing of job specifi-

Industry is electrifying all over again···

this time with furnaces and ovens

Using 23 billion kilowatt-hours per year as power to turn its wheels, industry is the light and power company's best customer.

Yet industry uses very little current for heat. When electric heating is adopted on the scale its merits warrant, industry's consumption of electric current will be more than four times what it now is for power.



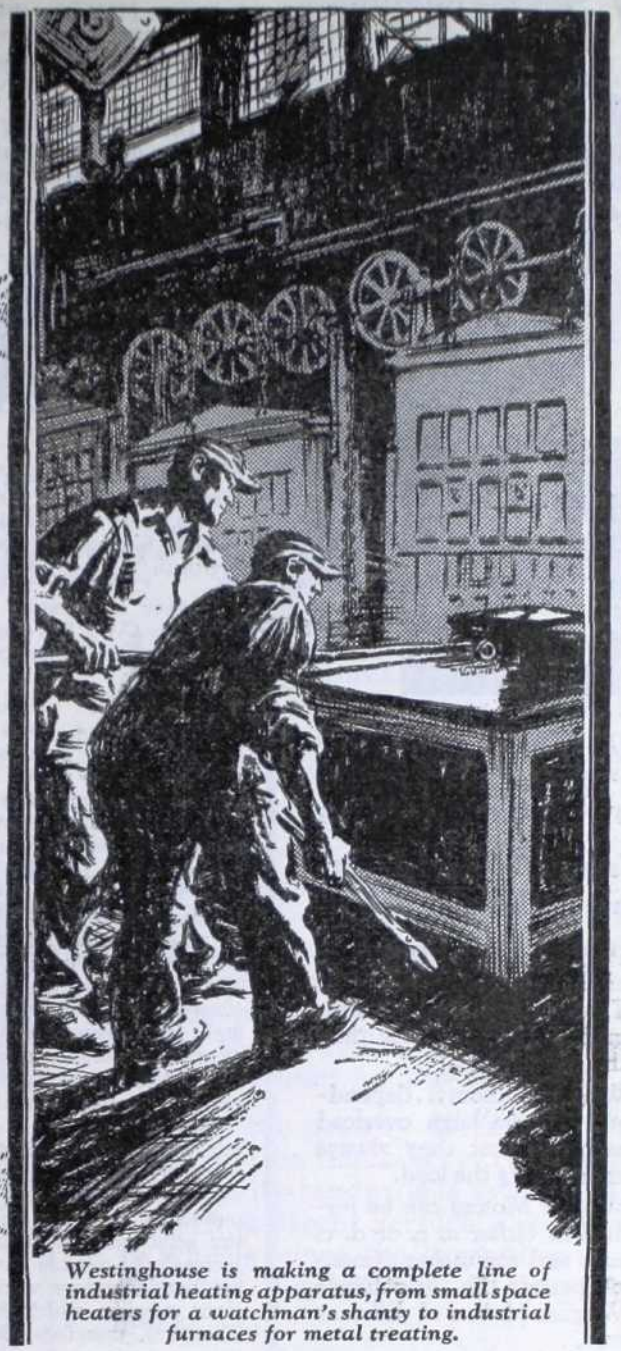
Consumption of electricity for industrial power in 1925 was 22,940,000,000 kilowatt-hours.



Potential consumption of electricity for industrial heat (per year) 93,427,300,000 kilowatt-hours.

Easy to control, producing a more uniform result, reducing losses from rejected products, electric heat is ideal for high-temperature processes. Yet it is such a recent development that even in 1925 it produced only 3.6 per cent of the power companies' income.

WESTINGHOUSE ELECTRIC & MFG. COMPANY
Offices in All Principal Cities
Representatives Everywhere

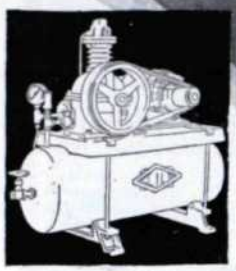


Westinghouse is making a complete line of industrial heating apparatus, from small space heaters for a watchman's shanty to industrial furnaces for metal treating.

Westinghouse

ECONOMIC TRENDS IN THE ELECTRICAL INDUSTRY

Wagner Motors



MOTORS
for Air Compressors

Wagner Motors Operate on Low Voltage

An air compressor is only as good as the motor that drives it and the opportunity for trouble is greater with a motor than with a compressor.

Wagner Motors . . . dependable . . . have large overload capacity so that they always start and carry the load.

Wagner Motors can be furnished in either a. c. or d. c. ratings and mounting dimensions permit the interchange of Wagner Motors of different ratings.

Wagner Motors are easily reversible and leads can be changed by anyone. Bearings will not allow leakage or overflow of oil . . . filtered oil system of lubrication insures an abundance of clean oil.

Literature upon request

Wagner Quality

7537-5

MOTORS
Single, Polyphase and Fynn-Weichsel Motors
TRANSFORMERS . . . Power and Distribution
FANS . . . Desk, Wall and Ceiling types

WAGNER ELECTRIC CORPORATION
6400 Plymouth Ave., St. Louis, U. S. A.

cations may have large educational value in industry. For the various jobs in any plant are defined and assigned by management. Often workers do not understand the full scope of their work and of its relation to the whole enterprise.

The experience of writing for himself a description of his own job in the form of a job specification is then very useful to the worker. To do this, he must study his job and clarify his



objectives. He begins to think consecutively about the things he daily does, sees, and handles and this stimulates interest in work and personal growth.

Further information may be obtained from the Civic Development Department of the National Chamber.

American Air Lines Excel Regularly operated air lines in America are unexcelled by any other air lines in the world, according to a report of the Aeronautics Committee of the National Chamber. American air lines have improved their services and facilities by leaps and bounds. The public, however, has been slow to realize the benefits which are now available in the handling of mail, express and, in some cases, passenger transportation. The business houses which are taking full advantage of a systematic use of air mail for correspondence and transmission of documents, bank clearings, insurance policies, securities and other commercial papers are as yet the exception rather than the rule.

The improvement in operating methods, selection and training of pilots, and equipment by the privately owned and operated air lines has resulted in the practical elimination of accidents on regular lines and the establishment of their service on an increasingly reliable basis. The American air line operators work without government subsidy, which foreign lines enjoy. They are, therefore, dependent for their success upon an understanding by business and the public of the services which they offer.

Entirely aside from any patriotic considerations, these air lines, on their merits, deserve greatly increased patronage by every kind of business. Those who, with little prospect of large returns, have embarked upon the development of this new industry are entitled to thorough consideration and whole-hearted cooperation on the part of all who are interested in seeing that the possibilities of this new industry are made available for the enhancement of the future welfare of our people.

Testing Merchandise Millions of dollars are being spent by various industries to protect their own good will and place in the scheme of things. This means not only holding present markets, but also displacing other commodities in other markets. Lew Hahn, managing director of the National Retail Dry Goods Association, says that the dry goods trade needs a well-equipped testing laboratory to keep its markets and public confidence.

In supporting his statement Mr. Hahn points out:

> One of the noteworthy books of this year which has had a great circulation among consumers was the Chase and Schlink book "Your Money's Worth." If you have read it you know what we are talking about. If you haven't read it, get it at once and read it.
>
> Hundreds of thousands of consumers, through this book, have been enlightened concerning the kinds of merchandise they are buying.
>
> Without some follow-up on the part of the retailer, these consumers are bound to feel that retailers are linked with manufacturers in a game to charge them many times a legitimate price for much of what they buy.
>
> With a testing laboratory operated by the National Retail Dry Goods Association every retailer would be informed on this important subject of merchandise and could deal with the producers of goods on an intelligent basis which would insure protection for the retailer and consumer alike.
>
> True, many individual stores have, or are setting up, their own laboratories. Such an individually owned testing house could never enjoy the reputation which would attach to one operated for the entire trade.
>
> In addition to which it is a costly thing to set up one's own laboratory. By far the majority of retailers never will be able to afford such a plant.
>
> And think of the needless and great waste of many individual stores making the same tests on the same merchandise when one association plant could handle it for all!

Buy Better at Home An interesting contribution to the "Buy Better at Home" movement is furnished by the Secretary of the Des Moines, Iowa, Chamber of Commerce. He writes that during a campaign which will last a year no one will be asked to "Buy at Home." "It is not practical to build a wall around a city by trying to force people to buy home products. They should not buy them if they are not equal in price, quality, and service."

Civic and Business Building Some members of chambers of commerce are of the opinion that a chamber should confine its activities to the commercial and industrial interests of the community. A letter from a local chamber secretary stating this difficulty prompted Organization Service to write:

Traditionally, the meaning of the chamber of commerce has been to promote commerce and industry. It is true that the objective of the chamber of commerce is business, material things. Today, however, the growth of urban communities, the development of civic pride and the growth of modern business has materially widened the activities of the chamber in attaining this objective. Necessarily, changing conditions have brought the modern chamber in contact with the whole range of civic, social and cultural things . . . and it has done so because business

is affected by these things. There is a very definite and vital connection between civic environment and the commerce of the community.

The modern chamber actively engages in such activities as education, recreational facilities, health promotion, city planning and zoning, citizenship, sanitation . . . in fact the whole realm of human affairs. These activities, when analyzed, will be found to be very important and influential factors in the commerce of the community. They are all, therefore, distinctly business efforts.

How is business affected by these activities? The answer is quite evident. Better health through education, recreational facilities and sanitation means greater efficiency. It means more and better work on the part of the laborer and all those situated in the sphere of commerce and industry. If a survey could be made of the financial loss suffered by business because of lost time and lost energy superinduced by unfavorable health conditions, the amount would be tremendous. Better citizenship, particularly in communities where there is a large foreign-born element, is essential. It satisfies labor in industry by helping it to fit into the situation in which it finds itself. An analysis of other civic activities will likewise find commerce and industry benefited by them.

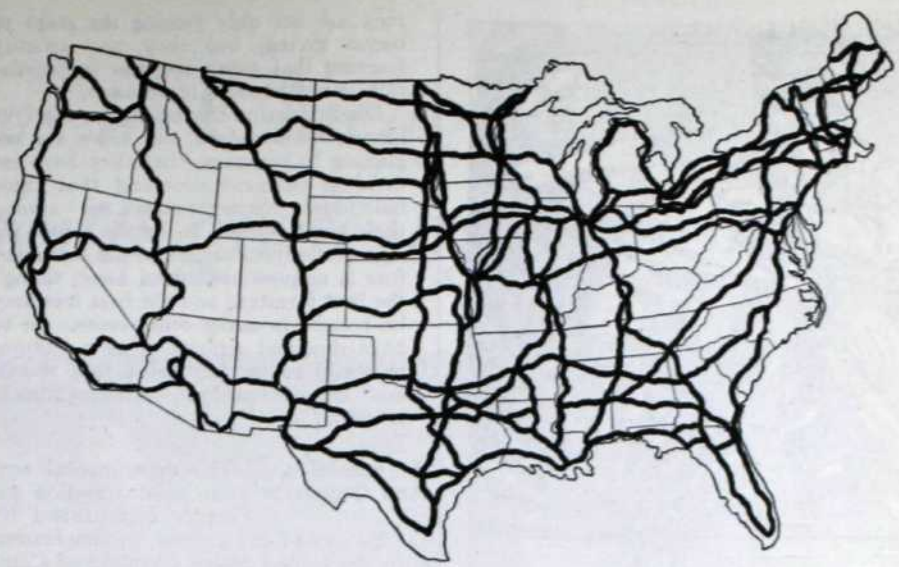
The Pittsburgh, Pa., Chamber of Commerce maintains a "Community Affairs Division." It has been referred to by some as "The Division of Human Affairs." The activities of this division are manifold. It is interested in good citizenship; it has a charities committee which keeps the membership informed regarding approved philanthropic organizations, and investigates solicitation schemes for the purpose of protecting the membership against fraudulent solicitations. The City Planning Committee works harmoniously with various civic planning bodies. The division is also engaged in educational, health, life and property protection, and recreational activities.

These are the human affairs in which a modern chamber of commerce is interested. They cover a wide field and summon into service men of diversified interests. Certainly, they are a necessary adjunct to the commercial and industrial advancement of a community.

In the establishing of its Civic Development Department, the National Chamber recognized the important relationship between civic building and business building activities. This department furnishes information, and if asked, counsel, on the civic development work of chambers of commerce.

Booster Days Are Gone *The Duluthian*, publication of the Duluth, Minn., Chamber of Commerce presents an interesting editorial on "Proper Municipal Development."

> There appears to be a growing interest on the part of the American cities in proper municipal development. The old "booster" days seem to have passed and cities are setting an ideal to be attained by permanent development.
>
> At a staggering cost of money, time, energy and vanished hopes, our cities are accumulating some valuable experience. For one thing they are learning to discriminate. They have not only passed the stage of mere "boosting,"



Maintaining The Nation's Highways

HIGHWAY construction and maintenance has become a billion dollar industry. It is also a pioneering industry because upon these highways flows the Nation's commerce.

Highly developed machinery has made possible this tremendous expansion of highway improvement. The representative types and makes of this machinery, when brought together at the National Road show, forms the largest exhibit of mechanical equipment in the world.

Despite the greatly diversified character of this machinery, certain uniformity of standards is evident. Here French & Hecht service, specializing in wheels since the beginning of the industry, has played an important part.

French & Hecht engineers have made a study of wheel requirements and design for all conditions and uses. This organization has designed wheels for over 6,000 different types of machines. This specialized service is offered manufacturers. Any information concerning wheels will be gladly supplied. Write.



Correct design for every application, strength and extreme accuracy of construction distinguish all French & Hecht Wheels.

There can be no other Steel Wheels like French & Hecht because many of the essential features of construction are exclusively French & Hecht.

FRENCH & HECHT

Wheel Builders Since 1888

DAVENPORT, IOWA SPRINGFIELD, OHIO

FRENCH & HECHT

STEEL WHEELS

When writing to French & Hecht *please mention Nation's Business*



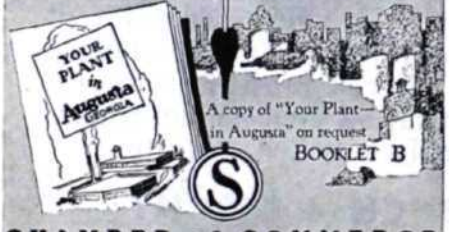
The Compass of *Industrial Expansion* points SOUTHWARD!

DURING 1927 the Bell Telephone System has invested more money in plant extension in the South than during any year in its history. Judged by this—or whatever yardstick you please—the Industrial South is growing. And so are those manufacturers who are located here.

In Augusta, Georgia—the world's second largest inland cotton market—there is already a diversity of manufacture. Yet there is a definite place for more. If you contemplate plant location in the Southeast, you will do well to investigate Augusta.

The ideal temperature for manufacturing, so authorities claim, is 60 degrees. Note how Augusta measures up—with a year round average of 64 degrees. Added to this splendid climate are such factors as:

Location on the Savannah River, making for a happy combination of good water and rail transportation; power rates that are distinctly low; a plentiful supply of native-born labor; appealing tax exemptions for new industries; proximity of raw materials; low building costs; available manufacturing sites; accessible markets.



A copy of "Your Plant—in Augusta" on request

BOOKLET B

CHAMBER of COMMERCE

Augusta GEORGIA

they are not only passing the stage of bonus giving, but they are actually learning that every increase in population is not necessarily an asset.

Discrimination having begun, our eyes having been opened, our cities are beginning to recognize that they have individual characteristics and that these individual characteristics are among their great assets. To be the center for high-grade furniture, to be the center for furs is unquestionably an asset, though the best furniture and the best furs may be bought in many other cities. So to have deserved reputation as a cultural or social center has value that should not be disregarded or thoughtlessly sacrificed.

Automobiles And Groceries The experimental census of distribution recently conducted by the Bureau of the Census, in cooperation with the United States Chamber of Commerce, has revealed many new facts on retail trade. These have received wide comment, particularly because of their close relation to consumption and the channels of retail distribution.

It is not so generally known that the census discloses a similar wealth of information on wholesale trade. Figures on sales, by kinds of business and by commodities, employes, salaries and wages, and total stocks, are given.

In eight of the eleven cities included in the census, the three chief commodities distributed at wholesale are:

Atlanta: Cotton and cotton yarn, automobiles, groceries.

Baltimore: Groceries, hay, grain and feed, cotton piece goods.

Fargo: Automobiles, groceries, auto accessories.

Denver: Livestock, automobiles, groceries.

Kansas City: Livestock, hay, grain and feed, groceries.

Seattle: Groceries, lumber, hay, grain and feed.

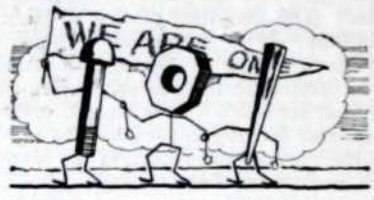
Springfield, Ill.: Hay, grain and feed, groceries, electrical goods.

Syracuse: Groceries, coal and wood, meat and poultry.

One-half of the wholesale business of Fargo, North Dakota, is in automobiles and auto accessories. More than one-fifth of Atlanta's wholesale business is in cotton and cotton yarn, while a similar percentage of Kansas City's wholesale trade is in livestock.

Cooperation Plus In 1924 the bolt, nut and rivet industry was conducted at a loss of 12 million dollars, according to Charles J. Graham, president of the Bolt, Nut and Rivet Manufacturers Association. Something had to be done to avert ruin. What was done presents another example of the effectiveness of cooperative effort. In speaking of the work of the association Mr. Graham tells of finding the buying profiteer playing havoc with his industry. It is interesting support of Alexander C. Brown's thesis set forth in "Prosperity But No Profits." To quote Mr. Graham:

> We started in August of 1924 on what we term a constructive basis, feeling that should we eliminate the basic evils price would take care of itself and a fairly well stabilized market for our product would eventually result. We have proven this theory to be correct as we have succeeded in taking ourselves out of the unsuccessful class and transferring ourselves to the successful—this, by a very narrow margin, however, as we are now making a profit of approximately 6 million dollars per year or only about 4 per cent on capital investment.
>
> This is not sufficient, but is a good start and a change of 18 million dollars per year is a decided betterment.
>
> We have studied thoroughly cost accounting, standardization, simplification and elimination of waste. All our processes and our plants are open to every competitor so that we may all have an opportunity to produce quality goods with low costs and our competition now is not so much price, but quality and service to our customers.
>
> Ways must be found to convince all that the radical price cutter in any line of industry is a menace not only to his competitor, but to the distributor, to the ultimate consumer and to the Government itself. He is the arch enemy of decent wages, decent living and decent profits.
>
> Another evidence of a "New Trend" is the gradual changing of our ideas that buying as cheaply as possible is the foundation of success. That is another theory that must be entirely shattered. Buying right, from the standpoint of a fair price, good quality and proper service should be the present buyers' slogan. We have devised a plan, of



> which we are the pioneers, to eliminate ourselves as the distributor's competitor. We have given an opportunity to every jobber in the United States to have this plan presented to him personally. We are endeavoring to create a condition whereby the distribution of our products will go through the proper channels. We are recognizing the importance of the distributor and of his vast importance to us. Our industry's buying power and the continuance of its ability to pay high wages have been fostered and made possible by our achievements in the past three years. In 1924, our most trying year with all plants losing money, our wage scales for the first time under such conditions were not affected and, instead of labor taking the brunt, we shouldered the responsibility and the losses ourselves.

Budget Division Eliminated The budget plan of financing used by the Memphis, Tenn., Chamber of Commerce has proved so successful that it is no longer felt necessary to maintain the budget division. The work has been allotted to another member of the staff in addition to his other duties. The secretary feels that, as a result of the budget plan, the chamber has now reached the point where it will no longer be necessary to conduct annual drives involving the time and service of business men. A general letter to members will be written annually requesting that they renew their

How offices in Chicago. . . . keep step with growing business



Mr. Otto R. Geuther, of Marshall-Jackson Company, replanning an office to handle more work efficiently

This emblem appears on the window of every dealer authorized and qualified to render Globe-Wernicke Service. Look for it

BETTER looking, smoother working offices. Planned, equipped and supplied *scientifically*. Floor-space measured, apportioned, to make every square foot return full value for the money invested in it. Equipment selected only after most careful analysis of the particular business it is to serve.

In Chicago, such offices are now being planned for the Northwestern Railway Company, the Chicago Office of the Fire Association of Philadelphia, and other progressive firms. The work is conducted by Marshall-Jackson Company, Globe-Wernicke Agents for Greater Chicago—under the personal supervision of Mr. Otto R. Geuther.

The planning method used by Mr. Geuther—and by authorized G-W agents everywhere—is known as *Globe-Wernicke Service*. It is a method perfected after almost half a century's experience in the making of fine office equipment, and exhaustive research in actual office conditions.

GLOBE-WERNICKE EQUIPMENT
includes

Steel Filing Cabinets ~ Steel Shelving
Steel Safes and Storage Cabinets
Sectional Bookcases
Safeguard Filing System
Visible Record Service
Office Furniture Library Equipment
Stationers' Goods

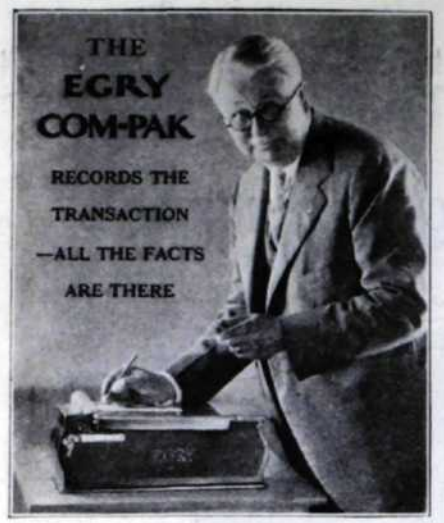
Descriptive literature on any of these items sent free on request. Address The Globe-Wernicke Company, Cincinnati, Ohio.

Globe-Wernicke Service saves you money—on floor-space, on equipment. It enables your office to turn out more and better work in less time. It gives your office an appearance which reflects the prestige and efficiency of your business.

In your city, or close by, there is an authorized Globe-Wernicke agent. You will know his store by the emblem shown above. At your convenience, he will gladly send his trained consultant in office equipment—wholly without obligation on your part. Phone him today.

Globe-Wernicke

OFFICE EQUIPMENT SERVICE



LET US GIVE YOU A POINTER

ON GETTING FACTS ABOUT YOUR OWN BUSINESS

For thirty-four years Egry Register Systems have been producing facts for business owners.

In that time Egry Systems have been used successfully by all types of businesses, large and small.

The Egry Com-Pak makes it possible for the business head to have placed before him, instantly, informative, clean-cut records of every transaction, showing *actual* facts that eliminate all doubt and uncertainty.

Egry Register Systems give facts that control success and forestall failure.

The latest development in Egry efficiency is

✓THE EGRY COM-PAK
Provides Perfect Records

☐ Sales Records	☐ Packing Lists
☐ Receipts	☐ Requisitions
☐ Purchase Orders	☐ Shipping Records
☐ Receiving Forms	☐ Work Orders
☐ Invoices	☐ Repair Orders
☐ Production Orders	☐ Cost Records
☐ Stock Orders	☐ Credit Memos

and for all necessary records of initial business transactions.

Check the uses you're interested in. No obligation incurred. We'll send fact giving information of great value to you.

THE EGRY REGISTER COMPANY

Dayton Ohio

Sales Agencies in All Principal Cities

A

When writing please mention Nation's Business

memberships on the same basis as the preceding year. This step would indicate a general appreciation of an effective chamber.

National School Alumni The sixty graduates of the National School for Commercial and Trade Organization Executives have formed an Alumni Association. The Alumni Association plans to act in an advisory capacity to students at the school, to offer at least one scholarship each year, to undertake a number of noon-day programs, and to assist in getting a larger enrolment at the sessions of the school. They also plan to help in getting as many students as possible to take the complete course for graduation.

The president of the association is Ronald Kingsley of Cairo, Ill.; the vice-president is Alvin Gilette of Coral Gables Fla.; and the secretary and treasurer is H. M. Van Auken of Witchita, Kans.

All-Year Road Building Exactly 100 miles of town roads not included in the state and county trunk highway systems were improved in seven county towns as a result of a town road contest sponsored by the Madison, Wisconsin, Association of Commerce. The local business men realized that the prosperity of every town in an agricultural region varies directly with the prosperity of the farmers.

Trunk lines are being built, but what about the farmer who lives off one of these trunk lines, as more than 80 per cent of them do. Prof. K. L. Hatch of the University of Wisconsin points out in this connection:

> For at least six months in the year he is marooned on his dirt road, further from town than he was twenty years ago. The automobile and truck have driven the horse off the concrete high-



way; and the dirt roads, badly rutted by heavy hauling and poorly maintained, are almost impassable to automobile traffic. What else can the farmer do but stay at home?

There were seven townships entered in the Dane County contest. During the two years in which this contest was carried on, exactly 100 miles of road have been improved. This affords a surfaced road to 351 farmers who now have year 'round road for the first time.

What better illustration exists of a true spirit of cooperation between city and town?

Coming Business Conventions

(From Information Available Dec. 1)

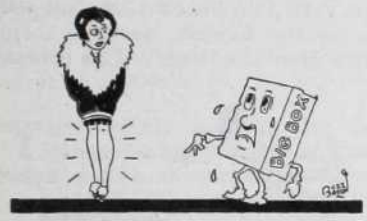
Date	City	Organization
January		
3– 5	Seattle	Northwest Canners Association.
4– 6	Detroit	National Sand and Gravel Association.
5	New York	Umbrella Manufacturers' Association.
5– 6	Springfield, Mo.	Ozark Canners' Association.
9	New York	Rubber Association of America
9–11	St. Louis	Miss. Valley Implement Vehicle & Hdwe. Dealers Assn.
9–12	Chicago	National Shoe Retailers' Association.
9–12	Chicago	International Association of Clothing Designers.
9–13	Cleveland	American Road Builders Association.
9–21	Pittsburgh	Western Glass & Pottery Association.
10	New York	Cycle Parts and Accessories Association.
10	New York	Industrial Alcohol Manufacturers Association.
10	New York	Mining and Metallurgical Society of America.
11	Cleveland	Tire & Rim Association.
11	Chicago	Eastern Soda Water Bottlers Association.
11	New York	Motor and Accessory Manufacturers Association.
12	New York	American Exporters and Importers Association.
12	New York	Natl. Sugar Brokers Association.
12–14	Denver	Mountain States Lumber Dealers Association.
16	New York	Wholesalers' Association of Dress Fabrics.
16	Paterson, N. J.	Silk Dyers Assn. of America.
16–19	Washington	National Association of Dyers and Cleaners.
16–19	West Baden, Ind.	National Crushed Stone Association.
17	New York	Wholesalers' Association of Notion Buyers.
17	New York	National Association of Book Publishers.
17–18	New York	National Boot and Shoe Manufacturers Assn. of the U. S.
17–18	New York	National Slate Association.
17–19	Kansas City, Mo.	Western Retail Implement and Hardware Association.
17–19	Minneapolis	Northwestern Lumbermen's Association.
17–19	Cleveland	National Assn. of Window Shade Manufacturers of America.
17–19	Chicago	Better Bedding Alliance of America.
18	New York	American Doll Manufacturers Association.
18	New York	Wholesalers' Association of Knit Goods Buyers.
18–19	Boston	New England Assn. of Ice Cream Manufacturers.
18–20	Boston	Natl. League of Commission Merchants of the U. S.
19	Chicago	American Walnut Manufacturers Association.
19	Philadelphia	Motion Picture Theatre Owners of Eastern Pennsylvania, New Jersey & Delaware.
19	New York	National Jewelers Board of Trade.
19–20	Fargo, N. D.	Tri-State Florists' Association.
19–21	Chicago	Gas Products Association.
20-Feb. 4	New York	Cycle Trades of America.
23	New York	Compressed Gas Manufacturers' Association.
23–25	Chicago	American Fruit and Vegetable Shippers Association.
Wk. of 23	Chicago	National Canners Association.
23–26	Hollywood, Calif.	Western Confectioners Association.
23–26	Chicago	National Preserves' Association.
23–27	West Baden Springs, Ind.	Association General Contractors of America.
23–28	Chicago	Canning Machinery and Supplies Association.
23–28	Chicago	National Food Brokers Association.
24	Spokane	Western Red Cedar Association.
24	Montreal	American Wood Preservers Association.
24–25	Atlantic City	National Butchers and Packers Supply Association.
24–27	Boston	Northeastern Retail Lumbermen's Association.
24–27	Detroit	National School Supply Association.
25	Chicago	National Automobile Dealers Association.
25–26	Chicago	National Syrup and Molasses Association.
25–27	Kansas City, Mo.	Southwestern Lumbermen's Association.
25–27	St. Louis	Natl. Paper Box Manufacturers Association.
25–27	Chicago	United Roofing Contractors Association.
25–27	Houston	National Association of Real Estate Boards.
25–27	El Paso	American National Livestock Association.
26	New York	National Association of Engine and Boat Manufacturers.
26–27	Cincinnati	Central Electric Railway Association.
27	Providence	Manufacturing Jewelers Board of Trade.
27	New York	National Knitted Outerwear Association.
27	New York	National Woolen and Trimmings Association.
27	Minneapolis	Northern Pine Manufacturers Association.
28	Philadelphia	American Cranberry Growers Association.
28	Boston	New England Coffee Roasters Association.
31-Feb. 3	Buffalo	National Association of Merchant Tailors of America.



THE sales manager of a paper box company was telling me about the hard luck all such companies have suffered because of modern fashions in women's clothes.

A short-skirted dress can be folded up and placed in a box only about half as large as those formerly needed. Since it takes just as much selling effort to market small boxes as large ones, but at correspondingly lower prices, the manufacturer is compelled to obtain new business of some kind or else suffer reduced profits.

AND the trouble doesn't stop with the boxes for the skirts themselves. Skirts that do not quite reach down to the knee are natural foes of stockings with cotton tops. When a woman's knees and even part of her thigh are



exposed to the full view of one and all, she wishes to have them incased as attractively as possible and her stockings must be silk all the way up. Maybe you never thought about it before, but silk stockings will go into a much thinner box than if they had cotton tops. One inch from the depth of a box makes it look so much less valuable that the manufacturer cannot ask the same price for it. Yet it is almost as costly to make and just as hard to sell.

A RECENT test of 50 men and 50 women by an advertising agency showed that isolation of a single word in a line of advertisement gives it no greater recognition value than is obtained for four words.

ONE of the cutest retail devices in Paris is the practice in nearly all sidewalk cafes of having the price of one's drink kiln-burned into the little saucer holding the glass containing the drink. If one orders several drinks, these saucers or soucoupes remain, while the glasses are taken away. The waiter can tell the total amount of the bill at a glance because the rim of each sou-

USE·THE·RIGHT·STEEL·FOR·THE·RIGHT·PURPOSE



A test of Hymo proves its remarkable worth

HYMO is a high manganese steel made by the open hearth process. It furnishes the highest degrees of strength and toughness combined with machining qualities that approach closely to those of Bessemer screw stock.

The exceptional economies which thus result from its use are further emphasized by rapid case hardening properties, greatly enlarging its possibilities for cutting sharply into production costs.

A test of Hymo in your plant will reveal its wide scope of adaptability. It fills a need that has long been felt by steel buyers throughout the country.

UNION DRAWN STEEL CO.–*Beaver Falls, Pa.*

UNION DRAWN STEELS

Names—and what they mean



Wedgwood Ware

Early in the 17th Century there lived in England a family of potters known for their skill in manufacture. In 1730 there was born into this family Josiah Wedgwood who not only became a most skillful modeler of clay but, by adding a touch of artistry to his work, made for himself a niche in the hall of fame that will carry his name down the ages so long as the present civilization lasts. At ten he made pottery. At thirty he created the most beautiful designs to be found in all Europe. No woman lives who does not know the name and what it means.

No collection is complete without its piece of Wedgwood Ware. In England, today, the name is being perpetuated by descendants who carry on in the creation and production of pottery—of Wedgwood Ware.

Some names begin by being merely tags to identify a product and are soon forgotten. Other names, like Wedgwood, acquire through years of superlative merit in the product itself a personality, a definite measure of value that is quickly recognized. Such a name is

Tycos

It is accepted as the standard of excellence and value in the invention, manufacture and employment of instruments for indicating, recording and controlling temperature in the home, in the office, in the hospital, in the factory.

In industry alone the name *Tycos* means a Sixth Sense which makes possible the correct and efficient application of the five senses—sight, hearing, smell, taste, touch. *Tycos* on Temperature Instruments is the same as Wedgwood on pottery.

The very existence of pottery, or the industry of ceramics as it has come to be known, depends on three things: the important natural properties of clay that permit it being kneaded and moulded when moist, of being converted, when fired, into one of the most indestructible of ordinary things, and the correct application of heat in the firing process.

In the manufacture of common brick or priceless vases, great pipes for water mains or small household utensils, the application of heat during the firing process has been standardized by the employment of *Tycos* Temperature Indicating, Recording and Controlling Instruments so that guess work is eliminated, waste is practically unknown, quality is constant and the finished product can be depended upon to meet all the exacting requirements for which it is intended.

Wherever and whenever heat is a factor, there is a *Tycos* Temperature Instrument to indicate its presence, to record its fluctuations, to control its application.

Tycos Temperature Instruments
INDICATING - RECORDING - CONTROLLING

Office Thermometers
An aid in promoting human efficiency.

Bath Thermometers
To enable you to get the most good from your bath.

Home Sets
Bake Oven Thermometer, Candy Thermometer, Sugar Meter. The secret of accurate results in cooking.

Wall Thermometers
To help you maintain a temperature in your house conducive to good health.

Quality Compasses
To show you the right way in unfamiliar country.

Fever Thermometers
A necessity in every home.

Stormoguides
Forecast the weather twenty-four hours ahead with dependable accuracy.

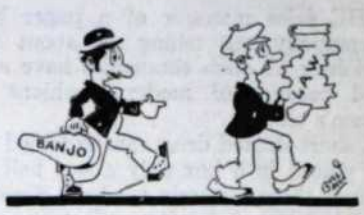
Hygrometers
To enable you to keep the humidity of the atmosphere in your home correct at all times.

FOR THE MEDICAL PROFESSION
Sphygmomanometers, Pocket and Office types. Urinalysis Glassware. Fever Thermometers.

Taylor Instrument Companies
ROCHESTER, N.Y., U.S.A.
CANADIAN PLANT TYCOS BUILDING TORONTO
MANUFACTURING DISTRIBUTORS IN GREAT BRITAIN SHORT & MASON, LTD., LONDON

coupe is of a different color, according to the price it represents. The figures, which at first look like a design for purely ornamental purposes, are for the information of the customer. One never sees a waiter look at these. He stands to one side and does his adding up while looking at the colored rims.

AN investigation among students in Detroit shows that those of highest intelligence are now choosing business as a career. But those of somewhat lower



intelligence prefer to become lawyers. Students of foreign parentage show a tendency to choose careers which would be closed to them in the old country.

I HAD difficulty finding Irish stew in Ireland. When I finally did discover a restaurant with Irish stew on the menu, it proved to be a kind of hash—not as juicy nor as palatable as the genuine Irish stew we find in America.

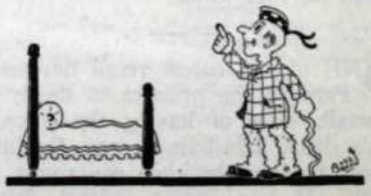
THE clerk in an American book store in Paris told me that the best selling book in the English language there is "Three Men in a Boat." This is because



a number of schools in Paris recommend it to European students who are learning to read English.

"FOR SOME reason," says a shoe dealer, "men are becoming more and more opposed to paying a high price for shoes. The same man who will pay $8 or $10 for a hat sets up a great cry of distress when asked to pay more than $10 for a pair of shoes."

IN A hotel at Glasgow I occupied a bedroom with the ceiling evidently about 18 feet high. I learned that the hotel had many such rooms. Such



wholesale waste of valuable space seemed shocking in Scotland of all places. Maybe the Scotch aren't so close, after all.

GOVERNMENT AIDS TO BUSINESS



IMPORTANT commercial questions arising in trading with merchants in the Republic of Colombia are treated in a recent publication of the Bureau of Foreign and Domestic Commerce of the Department of Commerce. The pamphlet deals with the organization of corporations and partnerships; registration of foreign corporations; agency; consignments; powers of attorney; law of sales; taxation; bankruptcy; and the law of industrial property.

How to Trade Under the Laws of Colombia

The commercial laws division of the bureau is kept informed of changes in foreign laws which affect our trade. It will be glad to furnish to those interested such information on this and other subjects as are handled by the division.

Copies of "Trading Under the Laws of Colombia" may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., or from any district or cooperative office of the Bureau of Foreign and Domestic Commerce, at a price of 10 cents per copy.

"THE REAL progress (in national standards) has been made during the recent period of agricultural depression when every function of our marketing machine has been tested with a view to the possible elimination of waste," says Lloyd S. Tenny, chief of the Bureau of Agricultural Economics, in *National Standards for Farm Products*. He goes on to say: "The whole standardization movement has been further expedited by the development of a specialized agriculture which has rapidly changed the marketing of farm products from a problem of local or regional importance to one of national and even international significance."

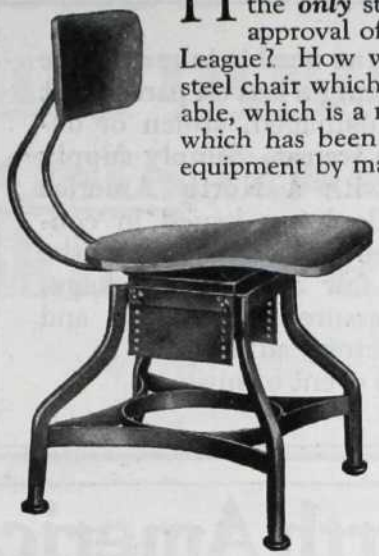
Elimination of Waste in Marketing

National Standards for Farm Products is a comprehensive discussion of farm products' standards and an historical review of their development. It is purchasable from the Superintendent of Documents, Government Printing Office, Washington, D. C.

THE COTTON Textile Institute has established a research associateship in the textile section of the Bureau of Standards. The development of cotton materials for specific uses will be the primary object of this cooperative effort. It is planned to study the needs of the consumer for each specific use as the occasion arises, and then try to find or develop the type of cotton material best suited to meet these needs.

Cooperation on Research Problems

How Would You Advertise This Better Chair?



HOW would you tell the story of the *only* steel chair that has the approval of the American Posture League? How would you advertise a steel chair which is practically unbreakable, which is a marvel of comfort and which has been adopted as standard equipment by many of the largest concerns in the country. Many great public utility corporations purchase annually thousands of

UHL Steel "Postur-Chairs"

and will have no other kind.

Made in styles for both office and factory employees, all UHL Steel "Postur-Chairs" are scientifically designed for maximum comfort and correct seating posture. They are adjustable to the correct heighth of each individual—the back support is in precisely the proper position—the seat is "sculptured" to evenly distribute the weight of the body without strain or unequal pressure on muscles, arteries or nerves—and they have the correct relation between back and seat.

These chairs are not only remarkably comfortable—they are built for *lifetime service*. Made of U-shaped channel steel, arc-welded into one solid unit at points of greatest strain, these chairs will stand more downright abuse and will give longer service than any other chairs built.

With UHL Steel "Postur-Chairs" and UHL Steel Tables, Stands, Desks, Vault Trucks and other steel furniture for office, shop and school there is positively no upkeep expense. The first cost is the last cost. Write for catalog today

MADE IN U.S.A. UHL STEEL TOLEDO OHIO
THE TOLEDO METAL FURNITURE CO.
APPROVED BY AMERICAN POSTURE LEAGUE, INC. PAT. OFF.

All UHL Steel "Postur-Chairs" carry the label of the American Posture League—your guarantee of the genuine posture chair—your protection against imitations.

THE TOLEDO METAL FURNITURE CO.
2001 Hastings Street
TOLEDO, OHIO

(2)

The Toledo Metal Furniture Co.
2001 *Hastings St., Toledo, Ohio*

Please send me catalog.

Name _____

Address _____

Where Does the Retail Dollar Go?

How much is spent for radio, hosiery, cigars, automobiles?

YOU will find the complete answer in "*Retail and Wholesale Trade of Baltimore, Maryland.*" This detailed report has been published by the Domestic Distribution Department of the United States Chamber of Commerce. It presents the final figures on the first trade census—made in Baltimore by the United States Bureau of the Census.

A mathematical picture of distribution in one of the chief cities of the country. Of value to merchants, economists, manufacturers, advertising men—to everyone who is interested in commercial and industrial growth.

"*Retail and Wholesale Trade of Baltimore, Maryland,*" is a report of 58 pages, complete in every sense of the word. It contains the divisions of retail expenditures in 71 commodities, and is illustrated with charts.

Copies of this report may be obtained at 25 cents each

DOMESTIC DISTRIBUTION DEPARTMENT
U. S. Chamber of Commerce Washington, D. C.

Insure your parcel post



THERE is no need to take a chance of suffering a loss on parcel post packages damaged, stolen or destroyed in transit. Simply supply yourself with a North America Coupon Book, as issued in convenient denominations, and, at the cost of a few cents per package, you are assured of prompt and satisfactory adjustment in the event of mishap.

the North America way



"The Oldest American Fire and Marine Insurance Company"
Founded 1792

Insurance Company of North America
Sixteenth Street at the Parkway
Philadelphia, Pa., Dept. N-1

Name
Street
City State
Wants information on Parcel Post Insurance



When You Come to Atlanta

you will find the South's Supreme Hotel, the Atlanta Biltmore, "Where Southern Hospitality Flowers." Located in a four-acre park, free from traffic noises, immediately accessible to theatrical, business and shopping centers

A Bowman Biltmore Institution

Rates from $3.50

Golf for Biltmore guests

Jno. McEntee Bowman, *Pres.* Wm. Candler, *Vice-Pres.*
H. B. Judkins, *Manager* W. C. Royer, *Asso.-Mgr*

Can't Scratch!



This Pen Will Never Smudge!

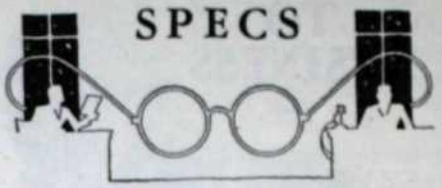
Made from the finest Sheffield Steel a Leonardt's Ball-Pointed Pen is never 'crossed'—and never scratches. It glides over the roughest paper with perfect smoothness—distributing a steady, even flow of ink that will not blot. A Ball-Pointed Pen can be used with equal ease by a heavy, medium or light hand. It is a sure aid to better, clearer and speedier writing. All good stationers and jobbers sell Leonardt's Ball-Pointed Pens.

There is NO substitute.

40 years' untarnished reputation.

Leonardt's
BALL-POINTED PENS
Regd. Name

THROUGH THE EDITOR'S SPECS



MAJOR Everett G. Griggs, well-known lumber man of Tacoma and points northwest, dropped in the other day. "How's business?" we asked.

He smiled ruefully. "It's like this," he said, "a mill operator friend of mine had a small boy just starting in school. One night the youngster asked him, 'Daddy, how many mills make a cent?'

"'Not a damn mill, son, not a damn mill!'"

WELL, here we are again over in the back of the book where we began seven years ago this month. Thus may it be observed that often when one is asked, according to Biblical writ, to leave his seat at the foot of the table for a place at the head, that he sometimes is invited to return to the foot.

A magazine is not unlike any manufacturer's product. It must continually improve to keep up with the demands of customers. Not only in editorial program but in "looks" and "feel" as well it must constantly develop. Hence, NATION'S BUSINESS in its new dress and new arrangement, whereby more timely interpretation of current business affairs farther forward in the magazine leaves the more personal and lighter material to end up the meal.

AND WHAT a panorama has unfolded before the eyes of a NATION'S BUSINESS reader in these seven years! He has seen a better understanding come about between the different units of business, and between business and government. He has seen individuals joining hands and heads in group endeavor, with a resulting efficiency in community and trade group building. He has noted, best of all, the fast-growing application of regulation by business itself. And, above all and over all, he has observed the crystallizing of the best ideals of American business men into principles of conduct, which movement will carry the nation far in its world leadership.

It has been a wonderful period in America's economic life, and NATION'S BUSINESS has been proud to have lived and worked in these stirring times.

PARADOXES in a month's news: Professor Phelps of Yale sees America losing art of talking . . . and Congress opens the long session. E. C. Calkins says business wants no czar . . . and a French tennis player is offered a kingship in the Pacific. Armistice Day is celebrated . . . and the football season takes toll of 17 lives, with 100 injured.

Divorces outstrip rise of marriage rate

. . . and courses in eugenics increase in colleges. Philadelphia judge says cities will limit citizenry soon . . . and the Holland tunnel between New York and Jersey City is opened. French youth rides water cycle across the English channel . . . and Wales falls off another horse.

Berliners know Ford and Edison better than Marx or Stalin . . . and the Germans propose to exile gossips. Twelve hundred California convicts revolt at Folsom prison . . . and 160,000,000 New Yorkers cram Times Square subways every year. Elinor Glyn buys a house in Washington . . . and a tornado strikes District of Columbia.

America's standard of living is the highest in world's history . . . and Marceline, famous clown, takes life for want of work. Baldwin, British premier, is hopeful of world outlook . . . and four nations unite to cut world's sugar supply. Slot machines amass riches from pennies . . . and Pullman porters contend tips keep wages down.

Irving T. Bush urges league of American nations . . . and President Calles and Ambassador Morrow eat ham and eggs together. German labor bars Russian athletes . . . and Soviet Russia challenges world to disarm. 2,658 more street cars than eight years ago . . . and the new Ford goes on the market.

Dawes plan faces crucial test . . . and the Germans evolve synthetic rubber. Five cent movies reappear on New York's East Side . . . and earth shocks jar California coast. Fascimo scuttles last of democracy in Italy . . . and wild donkeys are a problem in Utah. Women ask tax cut for single persons . . . and New York Alimony Club moves to new quarters.

IT SEEMS there has been an unusual number of clinics on advertising this fall. Soul-terrifying charts and graphs have been hung on the wall; spectacled savants have discoursed on psychological and biological reflexes; phrases like "public conscious," "beauty complex," "unsatisfied potential desires" have pounded on the ear drum. But out of it all there has come no better definition of what constitutes advertising than from Fred Patzel, World's Champion Hog Caller for 1926, who, in an interview with the vigilant press on "Why He Won the Prize," stated simply:

You've got to have appeal as well as power in your voice—you've got to convince the hogs you've got something for them.

IT IS an old story, but one which illustrates many things in business. First of all, character; second, the value of reputation which oftentimes is made up of little incidents like the choosing of associates.

A man with high character but no assets called on the elder Morgan for a loan. Mr. Morgan listened to him, then put on his hat and asked the applicant to accompany him down the street.

They walked out of the Morgan of-

The same factor that made this $35,000 saving will cut your heating costs, too—*That Factor is* Skinner *engineering*



On one heating job in Chicago, Skinner Engineers cut the installation cost to $50,000, when the next figure was $85,000.

And that was not an unusual case. Skinner Engineers can show *you* how to make a similar saving. Whether called in first or after everyone else has made their estimate, their

Unusually Thoro Knowledge of Heating, Developed thru Years of Experience

has enabled them to reduce installation costs from 20 to 40 per cent in almost every case.

Thirty-four years ago the Unit Method of industrial heating was originated by Henry Baetz, now Skinner Brothers' Chief Engineer. Since then Skinner Engineers have been accumulating a tremendous store of heating information. On each of the Skinner installations they have added something new to their knowledge of heating problems.

No wonder they know how to apply the simple principle of the Skinner Heater to give by far

the most effective heat with the least outlay of money

First, Skinner Engineers save you money on the *design and installation* of your heating units. Their wide experience has trained them to find every possible place to save on the installation. Then, Skinner Heaters save you money on *heat*. Specially designed fans pass the air thru a nest of steam coils, then distribute it evenly over the entire "work-area". That means a *direct saving in fuel costs*—heat is not wasted *above* the "work area" where no production is going on.

With the uniform heat distribution of the Skinner System, all your producers work under like conditions—none are overheated—none are chilled. In the long run, this brings your *biggest return*. Tests have shown that production fluctuates directly in proportion to the workers' comfort.

Call in a Skinner Engineer. Whether your plant is large or small, it is practically certain that he can show you how to make a *real saving* on your heating.

Skinner Brothers *Engineered* Heating

1450-90 S. Vandeventer, St. Louis, Mo. New York Office: 1710 Flatiron Bldg.

Factories at St. Louis, and Elizabeth, N. J. See phone book for branches in:

Washington Cleveland Buffalo Seattle Chicago Philadelphia
Kansas City Pittsburgh Detroit Baltimore Boston Indianapolis

Originators of the Unit Method of "Work-Area" Heating

When writing to SKINNER BROTHERS *please mention Nation's Business*

Gasoline Power Shovels with Waukesha "Ricardo Head" Engines



n-740-L

Breaking a Century-Old Habit

Heavy Duty Gas Engine Replacing Steam

(From an Editorial in Oil Engine Power)

"HABIT is a powerful servant, but a dangerous guide—HABIT enslaves the intellect, hog-ties facts and clogs initiative—HABIT, the blind drudge of inertia and half-truth, is cracking the whip of antiquated precedent over the power plants where steam is worshipped as a fetish and a cure-all.

"The STEAM HABIT is a capricious mistress, and while men know her weaknesses and her strength, her foibles and her limitations, they still take the line of least resistance and pledge allegiance to steam rather than investigate new developments which THEY happen to know little or nothing about.

"An embarrassing thought for the progressive power executive—is he a slave of the steam habit?"

INDUSTRY is rapidly being emancipated from the steam power plant. The "tempo" of modern business demands power that is quickly available, economical to operate, low in first cost, free from shut-downs and using easily portable fuel.

THIRTY-THREE INDUSTRIES, of different kinds, are now served by Waukesha "Ricardo Head" Engines. Many of these are old industries that have abandoned steam, but others are entirely new, made possible by the light weight, heavy duty automotive type gasoline engines we build.

TWENTY YEARS and over Waukesha has pioneered the industrial type of automotive gasoline engine. In that period, the leaders in many new industries have developed because, the portable Industrial Power Units which we make, made possible their present leading products. Most of these leaders have bought Waukesha Engines for over ten years.

THE CONTEST between steam and gasoline is best exemplified in the transportation, building and highway construction, petroleum production and lumbering industries. In all of these you will find the leaders have chosen Waukesha "Ricardo Head" Engines. Write for "Industrial Applications," a book telling to what uses Waukesha Engines are put.

Waukesha Ricardo Head

HEAVY DUTY GASOLINE ENGINES

G-790-2N

No. 8 of a Series

WAUKESHA MOTOR COMPANY

Waukesha **Wisconsin**

Exclusive Builders of Heavy Duty Automotive Type Gasoline Engines for Over Twenty Years

When writing to WAUKESHA MOTOR COMPANY *please mention Nation's Business*

fices; down Wall Street for several blocks, Mr. Morgan bowing and speaking to acquaintances as he went along. Finally, Mr. Morgan turned, shook the man by the hand and bade him good day. The applicant for the loan said, "But, Mr. Morgan, how about the loan?"

Mr. Morgan replied, "I have made it possible for you to get your loan in channels much more natural than from me. Any of the men who saw you with me this morning will be glad to entertain your proposition."

WHEN it was announced that Hugh Chalmers had appropriated a good-sized sum for advertising, he was immediately beset by a score of advertising agencies who wanted the account. Mr. Chalmers listened patiently to each one's story of the virtues of his particular organization, then quietly asked, "Whom do you consider the second-best advertising agency?"

He noted the replies, and after he had twenty such "second-best" recommendations, he decided on the one which had received the highest vote and gave it the business.

That's one way to choose an agency, and might not be the worst way to choose a nominee for the Presidency.

ALL THOSE cross-page headlines blazoning cross-ocean flights give reason enough to amend respect for Macauley's judgment that "of all inventions, the alphabet and the printing press alone excepted, those inventions which bridge distances have done most for civilization."

WHILE American stomachs have not been a campaign issue since the "full dinner pail" campaign of 1896, they still manage to keep prominent and to make news. Now, they again get into headlines on a government report of our ice-cream consumption. Demand, in 1926, got up to 324,665,000 gallons, so the Department of Agriculture finds, to compare with the 322,729,000 gallons served in 1925—a rise of close to 2,000,000 gallons in the national freezer. But each person got just a little bit less than the year before—2.77 gallons as against 2.80 gallons, because of more cool weather in 1926, the Department explains.

Whether or not stomachs are expanding, the figures on production show a remarkable increase from the 95,450,000 gallons eaten in 1910—240 per cent in sixteen years, as the Department figures it. At any rate, the figures indicate that our ice cream taste is profitably indulged in public and in private. While spoon and dish still carry on, the new order serves convenience, as well as appetite, with edible containers. More than a confectionery greeting is "I haven't seen you in a month of sundaes," for it also salutes a national custom. If telling the world what we eat enables the world to tell us what we are, the embattled American hailed with "Hey, you big

bologny" deserves the softer impeachment of "Say, you big ice cream cone."

ASK ANY man who it is that controls business, and off hand he will likely say "the bankers." "Haven't they got all the money, and doesn't money call the tune?" But the bankers of this country know they have no such power and do not desire it, declares Benjamin M. Anderson, Jr., economist of the Chase National Bank, New York. As he makes them out,

they have enough to do in managing their own business, which is dealing in credits. For merchandising transactions and for the management of the processes of production they have no facilities, and rarely do they have the necessary knowledge of the details of the particular trade.

But sometimes they have no choice in becoming merchants or manufacturers when loans are not paid. As Mr. Anderson puts it, in order to protect loans they may have to intervene in the direction of a business. The point he makes is that commercial banks do not knowingly make loans which will require their participation in management.

AN ASTUTE member of our Fewer-Laws Club writes us that one way to reduce law-breaking is to reduce law-making and gives as evidence the case of the famous Hooker oak in Chico, California.

For years this heirloom was hacked at by souvenir seekers, in spite of walls, barbed-wire entanglements, and policemen. It was decided to put up a spiked iron fence. Through some error in calculation, the old protective guards were removed before the new one was ready and—hear ye and attend!—while the oak stood there unprotected and defenseless, no one laid wanton hands thereon. The iron spikes have never been installed, and, wonder of wonders, the public respects the confidence placed in it and the famous oak has, for the first time in years, enjoyed safety from vandals.

Where laws and lawmaking bodies intervene, the citizen's common sense, decency and responsibility atrophies.

Furthermore, we are all children, and it takes no unusual memory to recall the days when a kid was a sissy who wouldn't take a dare.

HERE is a new use for NATION'S BUSINESS, discovered by E. H. Handy, secretary-treasurer, Calumet Construction Company, Chicago. Mr. Handy proposes to keep his competitors informed by giving them subscriptions to NATION'S BUSINESS. He writes:

I have just finished looking over the August issue and believe that putting the magazine into the hands of some of our competitors would prove a good investment. The magazine has been a great benefit to me in keeping a long-range view on business, and I would like some of our competitors to share in this



The Mark of Quality

Non-Skid Hi-Type
The All-Service Truck Tire

Here is a truck tire with cushion, traction and long mileage equal to practically any hauling work your trucks will be called on to do. It is a high profile tire, with extra rubber to protect trucks and loads—even of fragile nature. The powerful non-skid tread is effective on wet, oily pavements or in soft going. Long wear is insured by the great depth of the tread, the tough rubber compound and the scientific method of stabilizing the tread units with connecting bars of rubber. Trucks and trailers of all sizes can use this tire for single or dual equipment, as it is built in all S. A. E. sizes from 4" to 14". Ask the Firestone Service Dealer in your locality about this tire, and the complete service he is equipped to give.

MOST MILES PER DOLLAR

Firestone

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER Harvey S. Firestone

IF you are not already a NATION'S BUSINESS subscriber send in this handy coupon.



To the U. S. Chamber of Commerce
Washington, D. C.

Send me NATION'S BUSINESS, your official monthly publication, beginning with the February number. Bill me later for $7.50 for the three year term-subscription (OR: I enclose remittance with this coupon).

NAME _____

ADDRESS _____

CITY AND STATE _____

When buying FIRESTONE TIRES *please mention Nation's Business*

The Hiding Place

Property is the favorite hiding place of profit and loss. Facts as to the accuracy of property charges to capital, expense, depreciation and maintenance are revealed by American Appraisal Service. Profit or loss is driven from its hiding place.

THE AMERICAN APPRAISAL COMPANY

A NATIONAL ORGANIZATION

How to Solve Today's Economic Problems

THE gist of world opinion on how to solve present-day economic problems is presented in *The Three International Conferences of 1927*, a new pamphlet just published by the Foreign Commerce Department of the United States Chamber of Commerce.

This pamphlet summarizes the resolutions and recommendations of

The World Economic Conference at Geneva
The International Chamber of Commerce Congress at Stockholm
The Pan American Commercial Conference at Washington

The items in this pamphlet are alphabetically arranged. Many of them are of direct interest to the American business man.

The pamphlet is being distributed at cost, 10 cents a copy

FOREIGN COMMERCE DEPARTMENT
United States Chamber of Commerce - Washington, D. C.

and to see the growing need for friendly cooperation through trade associations.

The editorial on this and the articles on candy and profitless prosperity make me wish to have these subscriptions start with this issue. If you do start with this issue, I wish to include a paragraph in my letters inviting the recipients' special attention to several articles in it.

Enclosed is a check for $45.00 for eighteen subscriptions for a year.

That's cooperation with a vengeance!

MR. K. YAMAGUCHI, 591 Furumachi, Kashiwaracho, Minamikawachi-gun, Osaka, Japan, writes to register his approving interest in the series of articles on "Chamber Do's and Don'ts," which began in the October issue. In his letter is a straw that shows a trend of government regulation in Japan, for he says:

As a matter of fact, there is a hot discussion in this country for reorganization of the Chamber of Commerce on a wider scale, including an industrial section. If you are interested, I would send you a translation of the draft of the regulations drawn by the government authorities.

Lacking details of these "regulations," it is only fair to reserve judgment of their provisions, but our own experience with government meddling supports the hope that the control reported from Japan will not be accepted as a precedent for application to American chambers.

STORES still seeking higher levels of service might find uplift in that Washington advertisement, "Express elevators to the second floor."

FOR EVIDENCE of the wisdom of placing copies of NATION'S BUSINESS in club cars of the Lehigh Valley Railroad is a letter from P. A. Ellerman, superintendent of the dining car service. Requesting continuance of the subscription, he writes, "This magazine seems to be enjoyed by passengers in our club cars." Passengers who still believe in the broadening effect of travel naturally expect nourishment for their minds as well as for their bodies. By Mr. Ellerman's report, the expectancy can be served as enjoyably through a magazine as through a menu.

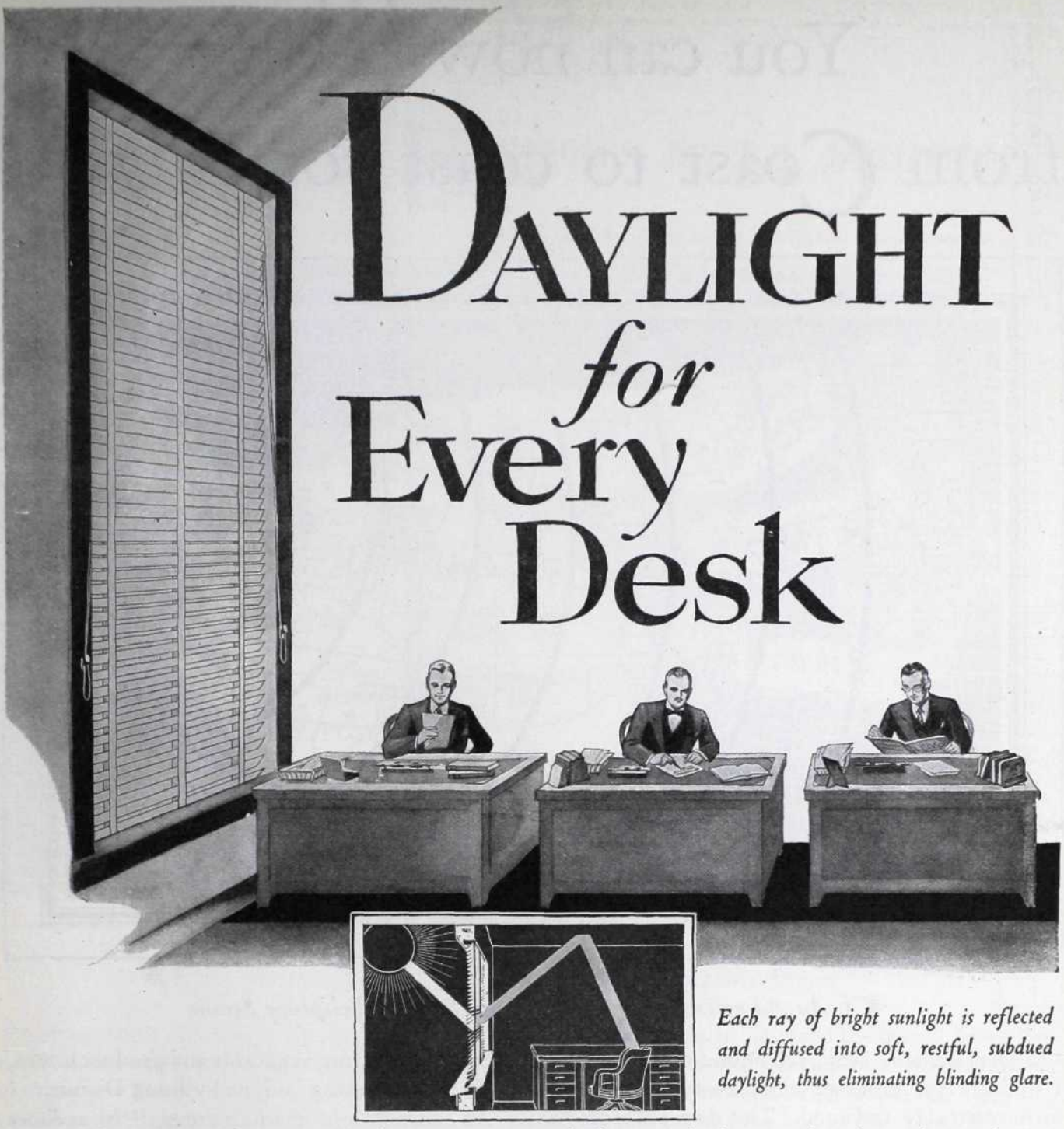
CAUTIOUS optimism seems to be the watchword among business leaders for 1928. In a group of men discussing conditions, this story of Matthew Sloan, president of Brooklyn Edison, was told:

Mr. Sloan was playing golf at St. Andrews this summer. He was badly off his game and asked his 70-year-old caddy to "pray for him." The caddy turned out to be a deeply religious man and replied seriously, "I will, sor."

A little later Mat topped a vicious drive and, turning to the caddy, said, "Are you praying for me, caddy?" "I am, sor," replied the caddy, "but you've got to keep your dom head down."

M.T.

DAYLIGHT *for* Every Desk



Each ray of bright sunlight is reflected and diffused into soft, restful, subdued daylight, thus eliminating blinding glare.

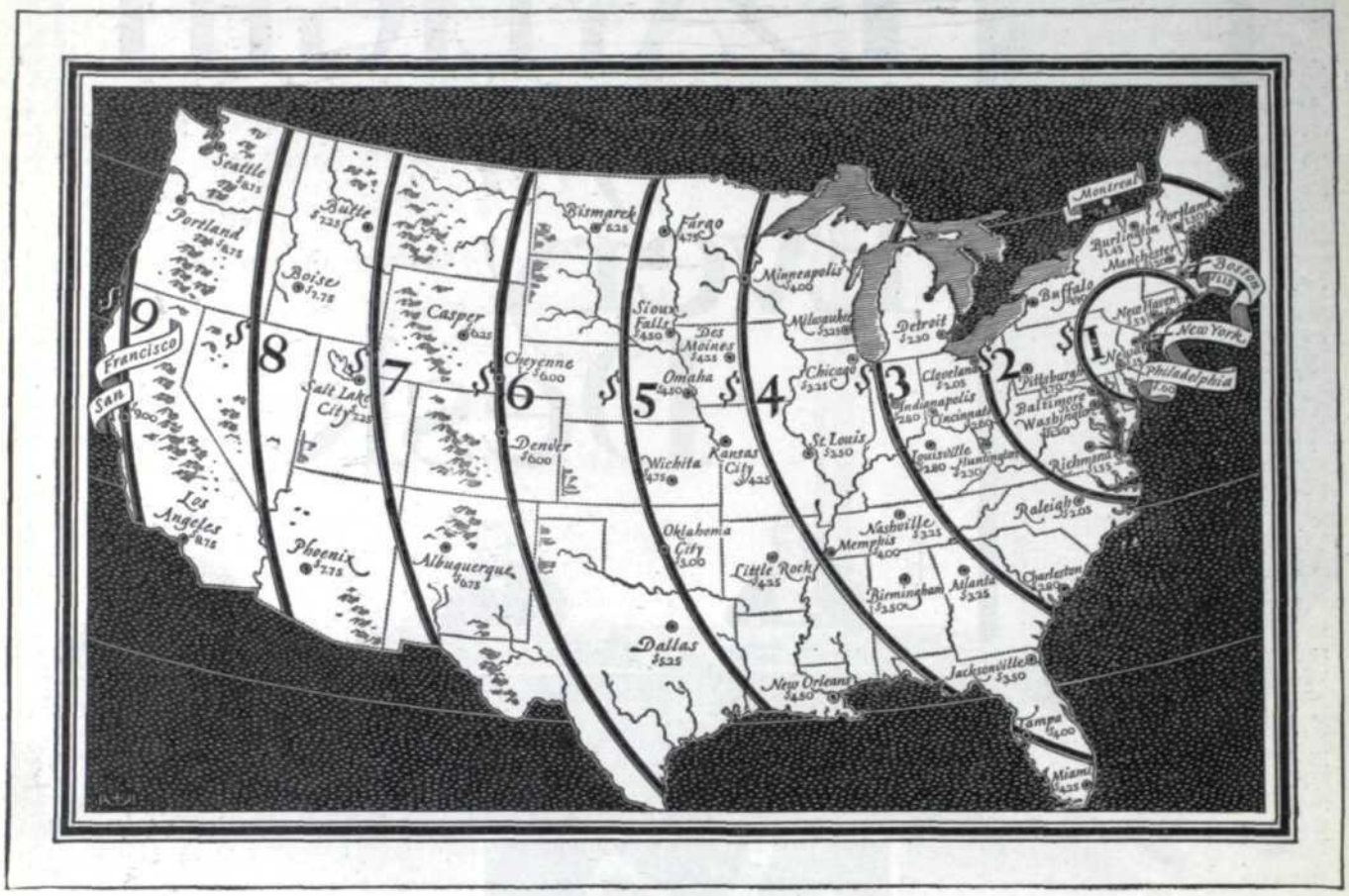
Especially where daylight is most needed... at desks on the far side and in the corners of the office... daylight is distributed evenly by Western Venetian Blinds, without throwing glare on the desk at the window.

Western Venetian Blinds

MORE LIGHT~MORE AIR~LESS GLARE
WESTERN VENETIAN BLIND COMPANY
"World's Largest Exclusive Manufacturers of Venetian Blinds"
Los Angeles, California., 2700 Long Beach Ave.
New York, Architects Bldg., 101 Park Avenue
Chicago Kansas City San Francisco New Orleans
Atlanta . . Seattle . . Portland, Ore. . . . Birmingham . . Jaeksonville, Fla.
Texas Agents: Western Venetian Blind Agency, Dallas, Allen Bldg.
San Antonio, Hicks Building; Houston, Second National Bank Building.

Western Venetian Blind Co.
Dept. N-1 Architects Bldg., 101 Park Avenue
New York City, N. Y.
Gentlemen: Please send me information on Scientific Daylight Control plus Ventilation.
Name _____
Business Firm _____
Address _____
City _____ *State* _____

You can now Talk from Coast to coast for only $9



An Advertisement for Bell Long Distance Telephone Service

On December 1, 1927, telephone rates on calls to points 390 miles or more away were again substantially reduced. The day station to station rate from coast to coast is now only $9. Other typical station to station day rates are: Baltimore to Los Angeles, $8.25. Seattle to Chicago, $6.50. Denver to New York, $6.00. Atlanta to San Francisco, $7.75. Cleveland to Omaha, $3.25. Minneapolis to St. Louis, $2.30. Night rates—less.

The greater the distance, the greater the saving by these new rates—in long trips, time and expense.

Says a large fruit, vegetable and produce house, "All of our buying is done by Long Distance."

An automobile manufacturer, "It reduces distance to nothing, and gives us an opportunity to talk with our dealers . . . just as though they were at the plant."

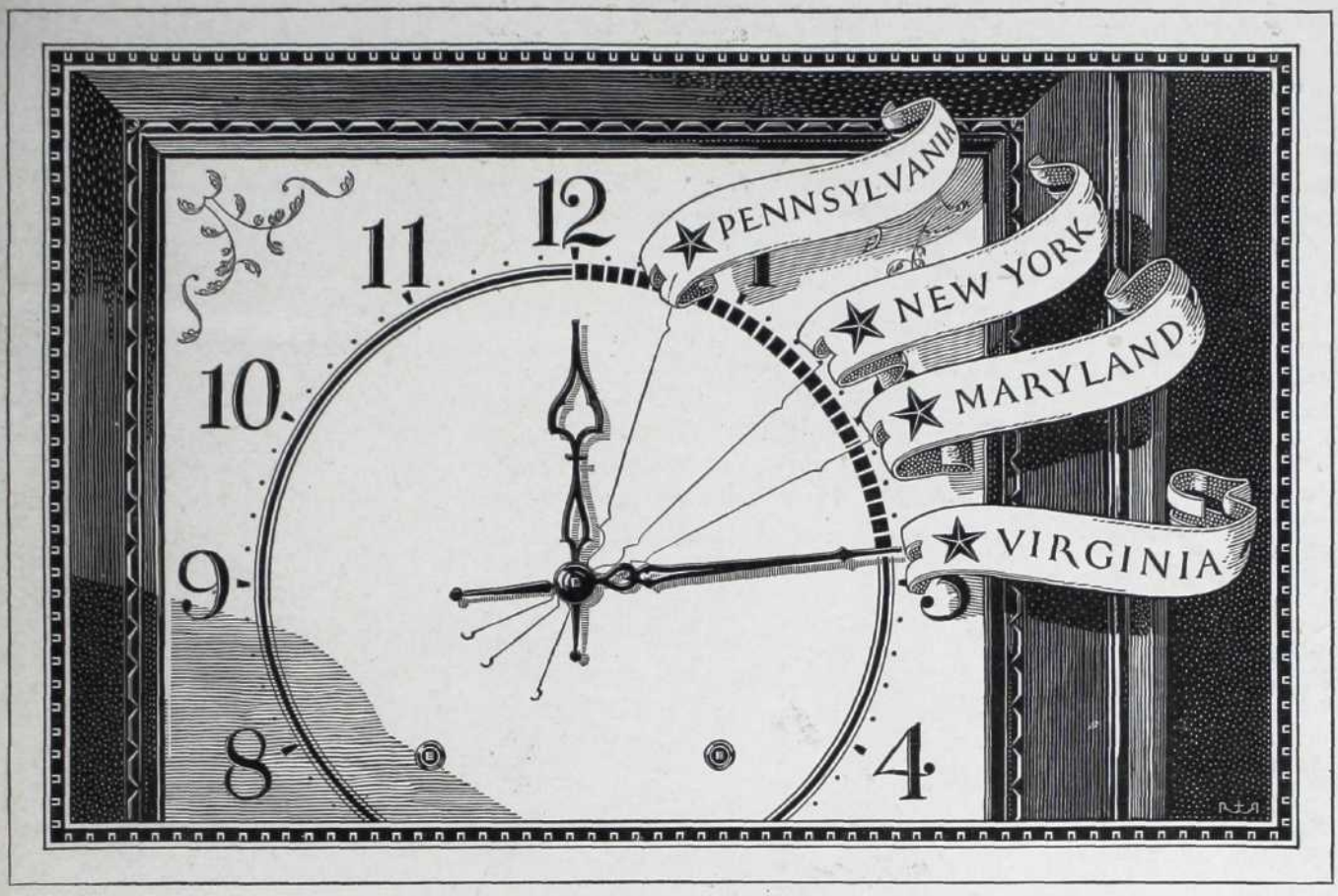
A large paper company, "Telephone selling has become a necessity. Hours are saved this way. Selling cost reduced."

What distant call now would make a needed appointment, close a pending purchase or make a sale? Calling by number takes less time. *Number, please?*



2400 *Miles*

$1700 *worth of* Business *in* 14 *minutes*



An Advertisement for Bell Long Distance Telephone Service

A Pennsylvania cement company called by Long Distance and secured a 30-ton order from a town in New York. Telephone charges $1.95. A 24-ton order from a Maryland town; charges $2.50. A 20-ton order from a Pennsylvania town; charges 75 cents. And a 15-ton order from a town in Virginia; charges $3.50. . . . Twenty-four hundred miles were "traveled"—*there and back.* Total orders secured, $1700. Total charges, $8.70. Talking time, 14 minutes.

So many businesses have found Long Distance indispensable in sales work that the "key town" plan has been developed as a further assistance and saving. By this plan key towns are selected. Each one of these is central to all of the towns in its trade territory. From the key towns in the various territories, the representatives cover the other towns by telephone, in minimum time and at low cost.

To facilitate the use of the key town sales plan, interested firms may arrange for credit identification cards to be issued to their traveling representatives.

Long distance telephone service can be custom-made to fit your business. Surprising how much long distance calls will do and how little they will cost. Ask the nearest Bell business office about the key town plan. . . . Calling by number takes less time. *Number, please?*

AMERICAN TELEPHONE & TELEGRAPH CO. AND ASSOCIATED COMPANIES — BELL SYSTEM

Attentionless Electric Motors

Once installed, Timken-equipped motors become permanent, attentionless units in your plant. You could forget them, aside from a little lubrication once every few months. Thousands of Timken-equipped motors have given years of such service — many of them on jobs where bearing life was previously limited to months.

Timken Bearings constantly maintain the original gap, without constant attention. Rubbing, burn-outs and shut-downs for motor trouble are eliminated. Dripping becomes a thing of the past. Endurance, dependability, economy, exceed anything ever known.

In respect to bearings any Timken-equipped motor is ready for any conditions! Floor, wall or ceiling mountings make no difference. Type of drive makes no difference. *For load direction makes no difference.* All combinations of radial and thrust loads are equally well provided for by the Timken taper principle.

So much more than merely anti-friction bearings, Timkens are improving motor operating and cost records, just as they are doing in every type of equipment throughout Industry. Savings are so great in many cases that it pays to write off obsolescent motors immediately, installing modern Timken-equipped types. Leading motor manufacturers can supply you.

THE TIMKEN ROLLER BEARING CO., CANTON, OHIO

Timkens are more than anti-friction bearings because they have the extreme all-around capacity made possible only by Timken tapered construction, Timken *POSITIVELY ALIGNED ROLLS* and Timken electric steel.



SINGLE ROW TIMKEN BEARING

DOUBLE ROW SELF-CONTAINED TIMKEN BEARING

TIMKEN
Tapered
ROLLER BEARINGS

NATIONAL CAPITAL PRESS, INC., WASHINGTON, D. C.